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Washington
LABOR MARKET

JOB SERVICE

Washington State
Employment Security

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Employment and Training
Administration
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Highlights

Again The "R" Word

Whether or not the nation is currently in recession is anybody's guess. Only after two consecutive quarters of negative real GNP growth are recorded can the National Bureau of Economic Research officially make a call. Meanwhile, the monthly indicators are certainly pointing in that direction. Consumer confidence fell sharply in August, and business echoed the sentiment by paring back capital spending plans for the balance of the year. Second quarter real GNP was revised downward to an anemic 0.4 percent, signaling an economy barely afloat well before the Mid-East crisis hit. Soaring oil prices are now driving up inflation and, in turn, threatening to curb consumer spending precisely as the critical holiday buying season approaches. Half the nation's top economists surveyed in the latest month by Blue Chip Economic Indicators expect a recession to begin some-

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time before the end of the year, an abrupt turnabout from several months ago when the consensus was little more than a continued slowdown into 1991.

Clearly, the state has also peaked. Seasonally adjusted nonfarm employment growth eased from a 7 percent annual rate of increase in the first quarter to 2.2 percent in the second quarter and then to 1.4 percent in July-August. The year-to-year spread, while narrowed, continues to track significantly above the prior-year month. However, a sizable portion of that 12-month margin simply reflects takeoff from an extraordinarily high base coming into the year and unusually mild weather in the first quarter. Much of the subsequent gain has been little more than seasonal.

On the plus side, Washington has some built-in stabilizers. For one, the huge commercial order backlog of The Boeing Company together with recent go-ahead on the new generation 777 promises continued high production and employment levels in the aerospace industry over the balance of this decade. Secondly, foreign export demand is destined to be buoyed over the next several years by vast amounts of needed capital investment in plant and equipment among emerging economies in both Asia and eastern Europe. The state's military installations are expected to be net gainers as a result of closures of facilities elsewhere in the nation. And services and trade will proceed to build on the greatly elevated base established over the past seven years and the continued net-migration flow into the Pacific Northwest.

That is not to say that the state can avoid a recession. Only that the impact when and if it comes would be somewhat mitigated. The state suffered longer and harder than the nation as a whole in the downturns of 1969-70 and 1981-82. In both cases, all of manufacturing was similarly affected. Currently, the Northeast and parts of the South and Central areas are mired in recession. The fact that Washington State and much of the Far West continues to fly in the face of that trend attests to structural diversity of the western economies.

LABOR FORCE AND UNEMPLOYMENT

Washington's economy in August shifted higher as outdoor activity mounted. Jobs in agriculture and forest products, construction, and tourism-recreation all moved up over the month toward their late-summer seasonal highs. The net effect was to draw down area joblessness to the low for the year. Reopening of schools will undoubtedly drop the rate further in September before wintertime weather socks in the fourth quarter.

August unemployment measured 4.6 percent of the workforce, down from 5.1 percent in July and 5.9 percent a year before. It was the second month since briefly in 1966 that the state registered lower than the national average. At that time, the difference was only one-tenth of one percent; the current spread is almost a full percentage point. Seasonal factors will usurp that margin over the balance of the year. However, the average for 1990, even with slower expected job growth hereon out, will tally lower than any year since 1968.

Only fourteen states in August had unemployment rates running lower than the prior year. Of that number, Washington had the third largest economy and the second highest nonfarm employment growth. On a seasonally adjusted basis, the nation's jobless rate began inching up beginning in July. The latest projections out of the state Office of the Forecast Council peg the national unemployment rate at 5.5 percent overall for 1990 compared to 5.3 percent in 1989. In contrast, Washington's rate is forecast to drop from 6.2 percent to 5.4 percent on average for the year.

Resident Civilian Labor Force

Employment and Unemployment in Washington State

	Aug 1990 *Preliminary*	**Jul 1990** *Revised*	**Aug 1989**
Resident Civilian Labor Force	2,527,000	2,549,200	2,487,400
Employment	2,410,800	2,419,600	2,340,900
Unemployment	116,200	129,600	146,500
Unemployment Rate	4.6%	5.1%	5.9%
National Unemployment Rate	5.4%	5.5%	5.1%

Data in this table are not seasonally adjusted.

Sources: Employment Security Department; U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total nonfarm payrolls heightened by 12,000 workers in the latest month. Manufacturing accounted for 3,600 of the total solely on the strength of the seasonal uptick in food processing (+ 3,300). The rest of manufacturing was basically flat. Collaterally, near equal increments took place in construction (+ 3,600), trade (+ 3,300), and services (+ 3,600) as each moved to their respective summertime highs. Fallout from the Goodwill Games served to keep up activity at hotels and eating and drinking establishments.

Fairly typical drawdown, however, took place in government. Further layoffs of non-teaching staff at public schools pulled 7,100 out of local public education. These staff, consisting of janitors, cafeteria workers, maintenance personnel, and clerical support, will be rehired again in September with startup of the new academic year. Meanwhile, another 1,000 temporary census workers were released in August, essentially completing the phase-out of 5,000 in the federal sector since June.

Goods-Production Shows Seasonal Spark

Except for seasonal factors, Washington's goods-producing industries showed no change. Payrolls in lumber and wood products held steady over the month at 41,400. Aircraft manufacturing inched up by 100. Similar modest increments of 100 each in fabricated metals, industrial machinery, and textiles and apparel were nearly perfectly offset by losses in paper and allied products, chemicals, and other transportation equipment. On balance, the swing in food processing was solely responsible for the month-to-month gain in basic manufacturing.

Likewise, construction moved with the weather. Homebuilding was off from the pace of a year ago but nonresidential building and special trade contractors more than made up the difference. The net result brought total construction payrolls up over the month by an amount greater than posted in August 1989. Hence, even on a seasonally adjusted basis, the building trades industry gathered strength. Some of the emerging uptick among special trade contractors, including painters, electricians, plasterers, roofers, and carpenters, undoubtedly reflects higher remodeling and renovation activity as baseline housing costs have mounted.

Services And Trade Move With The Tide

August is the peak month of summertime spending for amusement and recreation. Tourism shifts into high gear. Vacation volume builds. Opening Goodwill Games and major national conventions in late July may have diffused the impact but expansion at area eating and drinking establishments, hotels and motels, and parks and recreation facilities over the month looked fairly typical. For those still at work, business services mounted by 900; health services also moved upward by 900, mostly for special clinics and outpatient services. On balance, trade and services added 6,900 workers in August, representing close to 60 percent of the total monthly job gain.

Year-Over-Year Comparisons Narrow

Over the past 12 months, Washington's economy has added 85,700 workers to the state job rolls. The year-to-year spread has narrowed from 113,600 in the first quarter to 99,600 in April-to-June. However, the August-to-August relative increase of 4.1 percent still stacks up favorably against the state's long-term 2.6 percent average over the past 10 years and the national total currently running 1.8 percent above a year ago.

Manufacturing trailed the year-earlier month by 2,000 workers or 0.5 percent in August. Most of that shortfall centered in aircraft (-1,900) and lumber and wood products (-1,300). The rest of manufacturing was actually up by 1,200. Much like the nation as a whole, it is non-manufacturing which has moved to the forefront and now sets the pace. Construction measured 12,200 or 10 percent above August 1989. Services and trade were higher by 27,400 and 28,000, respectively.

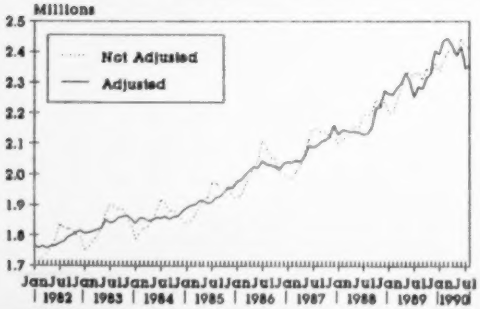
AREA TRENDS

Down With Unemployment

For the most part, all areas of Washington pushed unemployment lower in August. Joblessness in the metropolitan areas fell half a percentage point over the month from 4.7 percent to 4.2 percent of the civilian workforce. As usual, the Seattle PMSA registered the lowest rate at 3.4 percent. Tacoma stood at 4.5 percent; Spokane at 4.8 percent. All were down from the prior month and significantly below the prior year. Only the Tri-Cities and Yakima were higher than the 5.0 percent level normally associated with a "full employment" economy. But Yakima was down two full percentage points from August 1989. And the Tri-Cities hovered at the lowest for the month since 1979.

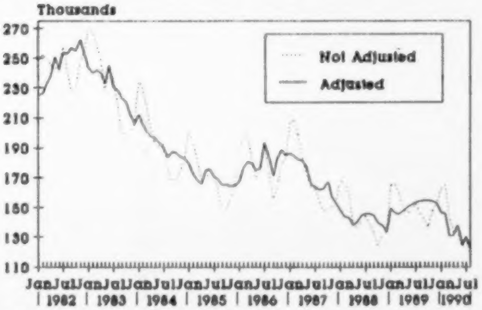
Following typical seasonal pattern, both the agricultural and timber-dependent economies improved. Overall unemployment in eastern Washington dropped from 7.2 percent to 6.6 percent. The comparable figure a year-earlier stood at 8.3 percent. Some of the largest swings occurred in Grant County (from 8.7 percent in July to 6.6 percent in August), Adams County (16.3 percent to 7.7 percent), and Kittitas (7.2 percent to 5.5 percent). Lincoln County registered a low 2.6 percent. Meanwhile, those areas of western Washington revolving predominately around a forest products base averaged 6.9 percent joblessness in August. The month-earlier and year-earlier levels were roughly comparable with those of the farming-dependent areas at 7.1 percent and 8.2 percent, respectively.

State Total Resident Employment
January 1982 - August 1990



Source: Employment Security Department

State Total Resident Unemployment
January 1982 - August 1990



Source: Employment Security Department

INDUSTRY NOTES

Boeing's 777 Moves To The Tarmac

United Airlines officially launched Boeing's new generation 777 aircraft with an order for 34 of the wide-body twinjets plus options on another 34 due for delivery beginning in 1995. UAL's buy was coupled with orders for 30 747-400s plus options which combined totalled $22 billion – the biggest commercial order in aviation history. Boeing needed a major leadoff to effectively proceed with the 777 series – its first all-new jetliner in more than a decade. The aircraft will represent Boeing's entry into the fiercely competitive wide-body market currently dominated by McDonnell Douglas and Airbus Industrie. Employment on just the 777 portion of the sale translates into 8,000 to 10,000 new jobs.

Yakima Down Udder

Darigold has selected Sunnyside for a new $22 million milk processing plant. Yakima County in recent years has become a major force in the state's dairy industry, long dominated by areas of northwestern Washington. In the past five years, the county's milk production has increased 76 percent to an estimated 564 million pounds this year. By 1992, production is expected to reach 800 million pounds. Good climate and abundant inexpensive farmland are cited as the principal draws. Plant construction should begin in November with initial employment of 40 spawning 200 additional jobs among dairy services, equipment repair, and milk suppliers.

Color Puget Sound Navy

If the Navy's proposed base-closing plan is adopted, Washington stands to gain handsomely. Secretary of Defense Cheney has recommended basing a second nuclear-powered aircraft carrier in Puget Sound and converting the Whidbey Island Naval Station into a patrol plane base. The move represents the shift of personnel and equipment resulting from the shutdown of five naval bases in the San Francisco area to locations elsewhere on the west coast.

Closure of the Alameda Naval Station would transfer nuclear-powered aircraft carriers to both San Diego and

Everett. The carrier Nimitz, temporarily assigned to the Puget Sound Naval Shipyard until the homeport at Everett officially opens in 1992, would remain in Bremerton. An appropriation of $110 million for construction of permanent berthing space and housing would be required; the net increase would be 3,200 military personnel. Closure of Moffett Field near San Jose would transfer 5 aircraft patrol squadrons to Whidbey Island resulting in a net gain of 700 military and 480 civilian personnel. Action is required of the Pentagon and the Congress.

Spotted Owl Begins To Land

In the first major effect of the spotted owl timber restriction, the state Public Lands Commissioner pulled back 389 logging operations in the state of Washington. About three-quarters of the impact centered in the Olympic Peninsula. Grounds for the action have arisen out of the requirement to protect habitat of the spotted owl following recent designation as an endangered species. The combination of shutdowns and postponements represents approximately 10 percent of DNR's current processing.

To provide emergency assistance, the state has released $9.4 million in state and federal funds to communities and workers impacted by the federal timber harvest reductions. The emphasis is to be focused on mill retooling and job creation in wood products in order to minimize the overall loss. Half the allocation is targeted for dislocated workers. Another $1.1 million is earmarked for economic development assistance. And $1.2 million goes for direct family assistance and access to basic health care. Further federal aid is being sought despite resistance by the Bush Administration.

No More Doo Dah

Sale and closure of the Longacres Race Track – Washington's largest parimutuel betting facility – could mean loss of $4 million in state revenues according to the State Racing Commission. Peak employment numbered 600 to 700 workers. The Boeing Company purchased the property for an estimated $94 million as site for a major new office complex. The action follows a string of recent acquisitions by Boeing to add space and additional capacity to meet burgeoning operations.

NATIONAL INDICATORS

Oil Takes Its Toll

As if anybody needed to be told, the rapid escalation of oil prices is extracting a heavy toll on the nation's economy. Consumer prices swelled 0.8 percent in August, double the July rate, as the leading edge of the oil price shock worked its way through basic goods and services. The sharp uptick in petroleum-based energy prices accounted for 40 percent of the month-to-month price advance. Even more disturbing, however, was the fact that the "core inflation rate" (which excludes food and energy) also picked up sharply by 0.4 percent. The August rise was the biggest since the January cold snap, and more is expected as the higher oil prices move progressively through the economy.

Dumping Durable Goods

Another bleak statistic for August was the drop in durable goods orders. Orders to factories for big-ticket items plunged 0.8 percent over the month despite a 12.4 percent jump in defense purchasing. The pattern throughout much of this year has been jagged, rising and then falling repeatedly each month, and leaving orders only 1.1 percent above the level a year ago. August orders for transportation equipment rose 1.3 percent; primary metals dropped 1.7 percent; and capital goods aside from military equipment tumbled 11.2 percent after rising 10.1 percent in July.

Don't Plan On A Spending Blitz

Moreover, spending for capital goods is not looked to pickup anytime soon. Bruised by weakening consumer demand and deteriorating profits, U.S. businesses have pared back their capital spending plans for the balance of the year. Responding to the July-August survey, corporate leaders indicated a 5.4 percent increase in plant and equipment outlays this year. The projection was down from 6.8 percent in the April-May survey and 8.1

percent forecast coming into 1990. A capital spending boom fueled much of the economy over the past two years, rising 11 percent in both 1988 and 1989. The cooling will put a further crimp in the economic growth rate and directly impact machinery and instruments manufacturers.

Even The Tea Leaves Point Downward

The government's index of leading indicators, designed to foreshadow economic trends, plunged 1.2 percent in August – the sharpest since the 1987 stock market crash. Most notable were the declines in consumer confidence and stock market prices. But other negative components were broadly-based, giving further evidence of a weakening economy. Seven of the eleven components fell over the month; the remaining four showed little change.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Aug 90	Jul 90	Aug 89	Jul 90	Aug 89
	131.6	130.4	124.6	0.9	5.6
Seattle†	Jan-Jun 1990	Jan-Jun 1989		Jan-Jun 1989	
	124.2	116.7		6.4	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

(In Thousands) (Not Seasonally Adjusted)

Industry	Aug 1990 (Prel)	Jul 1990 (Rev)	Aug 1989 (Rev)	Jul 1989 (Rev)	Numeric Change Jul 1990 to Aug 1990	Numeric Change Aug 1989 to Aug 1990
TOTAL NONAG. WAGE AND SALARY	2,151.4	2,139.4	2,065.7	2,053.7	12.0	85.7
MANUFACTURING	369.4	365.8	371.4	367.7	3.6	-2.0
Durable Goods	259.8	259.7	263.0	262.6	0.1	-3.2
Lumber & Wood Products	41.4	41.4	42.7	42.8	0.0	-1.3
Furniture & Fixtures	4.5	4.4	4.0	3.9	0.1	0.5
Stone, Clay, & Glass	7.8	7.9	7.9	8.0	-0.1	-0.1
Primary Metals	13.0	13.0	13.6	13.7	0.0	-0.6
Aluminum	9.0	9.0	9.3	9.4	0.0	-0.3
Fabricated Metals	12.6	12.5	12.2	12.2	0.1	0.4
Industrial Machinery & Equipment	19.8	19.7	19.4	19.4	0.1	0.4
Electronic & Other Electrical Equipment	12.1	12.1	11.8	11.7	0.0	0.3
Transportation Equipment	127.9	128.0	130.3	129.7	-0.1	-2.4
Aircraft and Parts	113.1	113.0	115.0	114.2	0.1	-1.9
Instruments & Related	14.8	14.8	15.1	15.2	0.0	-0.3
Miscellaneous Manufacturing	5.9	5.9	6.0	6.0	0.0	-0.1
Nondurable Goods	109.6	106.1	108.4	105.1	3.5	1.2
Food & Kindred Products	39.0	35.7	38.8	35.5	3.3	0.2
Preserved Fruits & Vegetables	14.8	11.8	15.2	12.3	3.0	-0.4
Textiles, Apparel, & Leather	7.8	7.7	8.0	8.0	0.1	-0.2
Paper & Allied Products	18.8	18.9	18.8	19.0	-0.1	0.0
Printing & Publishing	22.4	22.3	22.0	21.9	0.1	0.4
Chemicals & Allied Products	13.2	13.3	12.5	12.3	-0.1	0.7
Petroleum, Coal, Plastics	8.4	8.2	8.3	8.4	0.2	0.1
MINING & QUARRYING	4.1	4.1	3.7	3.7	0.0	0.4
CONSTRUCTION	129.0	125.4	116.8	113.9	3.6	12.2
TRANSPORTATION, COMM,. & UTIL.	114.7	113.6	110.5	110.1	1.1	4.2
WHOLESALE & RETAIL TRADE	540.0	536.7	512.0	505.9	3.3	28.0
Wholesale Trade	133.4	133.4[2]	126.8	126.1	0.0	6.6
Retail Trade	406.6	403.3	385.2	379.8	3.3	21.4
General Merchandise	38.9	38.3	37.9	37.0	0.6	1.0
Food Stores	68.4	68.3	62.6[2]	61.4[2]	0.1	5.8
Eating & Drinking	150.4	148.6	140.9	139.2	1.8	9.5
FINANCE, INS., & REAL ESTATE	118.6	118.1	114.4	113.7	0.5	4.2
Finance	53.4	53.3	51.8	51.4	0.1	1.6
SERVICES	506.9	503.3	479.5	477.9	3.6	27.4
Hotels & Lodging	28.1	27.7	26.5	26.1	0.4	1.6
Business Services	84.0	83.1	78.9	78.3	0.9	5.1
Health Services	151.7	150.8	142.0	141.8	0.9	9.7
Hospitals	50.0	49.7	46.9[2]	46.7	0.3	3.1
GOVERNMENT	368.7	372.4	357.4	360.8	-3.7	11.3
Federal	73.4	74.4	72.8	72.5	-1.0	0.6
State	104.2	101.6	98.2	96.2	2.6	6.0
State Education	45.2	45.2	43.6	43.5	0.0	1.6
Local	191.1	196.4	186.4	192.1	-5.3	4.7
Local Education	85.4	92.5	82.3	88.8	-7.1	3.1
LABOR-MANAGEMENT DISPUTES	0.0	0.8	1.3	8.0	-0.8	-1.3

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 10/2/90
Benchmark: 1989

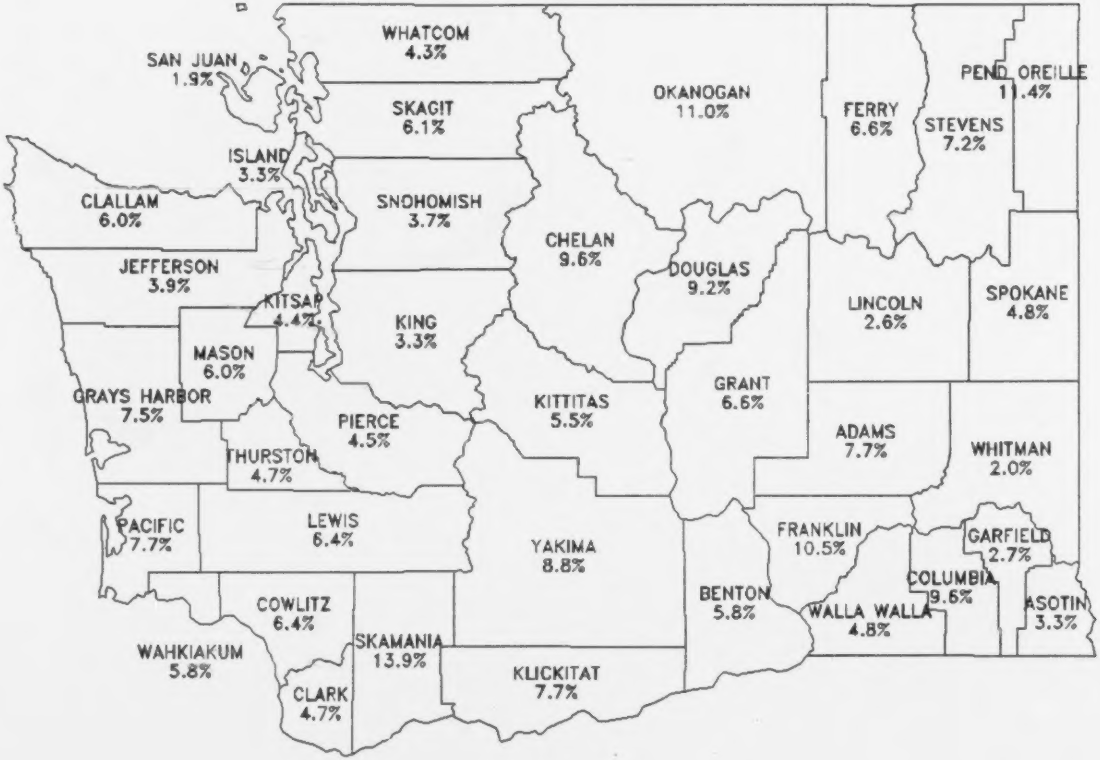
Not Seasonally Adjusted

	August 1990 Preliminary†				July 1990 Revised†				August 1989 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,527,000	2,410,800	116,200	4.6	2,549,200	2,419,600	129,600	5.1	2,487,400	2,340,900	146,500	5.9
Bellingham MSA	67,800	64,900	2,900	4.3	68,800	65,300	3,500	5.1	66,700	62,800	3,900	5.8
Bremerton MSA	81,500	77,900	3,600	4.4	82,700	78,700	4,000	4.8	80,400	76,100	4,300	5.3
Olympia MSA	83,500	79,600	3,900	4.7	84,500	80,100	4,400	5.2	80,300	75,600	4,700	5.9
Seattle PMSA	1,135,900	1,097,100	38,800	3.4	1,136,900	1,094,400	42,500	3.7	1,117,900	1,068,400	49,500	4.4
King County‡	896,800	866,800	30,000	3.3	897,500	864,700	32,800	3.7	883,700	844,200	39,500	4.5
Snohomish County‡	239,100	230,300	8,800	3.7	239,400	229,700	9,700	4.1	234,300	224,300	10,000	4.3
Spokane MSA	167,800	159,800	8,000	4.8	169,700	160,300	9,400	5.5	170,800	160,400	10,400	6.1
Tacoma PMSA	259,800	248,000	11,800	4.5	261,200	247,900	13,300	5.1	251,500	235,700	15,800	6.3
Tri-Cities MSA	76,200	71,000	5,200	6.8	77,400	71,300	6,100	7.9	73,000	66,800	6,200	8.5
Benton County‡	59,000	55,600	3,400	5.8	59,500	55,800	3,700	6.2	56,500	52,300	4,200	7.4
Franklin County‡	17,200	15,400	1,800	10.5	17,900	15,500	2,400	13.4	16,600	14,500	2,100	12.7
Vancouver PMSA	128,300	122,300	6,000	4.7	128,700	121,700	7,000	5.4	126,800	119,100	7,700	6.1
Yakima MSA	104,800	95,600	9,200	8.8	107,100	97,200	9,900	9.2	102,500	91,400	11,100	10.8
Adams	7,240	6,680	560	7.7	7,740	6,480	1,260	16.3	7,320	6,670	650	8.9
Asotin	9,590	9,270	320	3.3	9,600	9,230	370	3.9	9,420	8,990	430	4.6
Clallam	24,860	23,370	1,490	6.0	25,120	23,570	1,550	6.2	25,690	23,730	1,960	7.6
Columbia	1,560	1,410	150	9.6	2,080	1,920	160	7.7	1,730	1,530	200	11.6
Cowlitz	39,310	36,780	2,530	6.4	39,770	37,010	2,760	6.9	38,390	35,330	3,060	8.0
Ferry	3,310	3,090	220	6.6	3,330	3,060	270	8.1	3,380	3,040	340	10.1
Garfield	1,110	1,080	30	2.7	1,130	1,100	30	2.7	1,130	1,110	20	1.8
Grant	27,920	26,070	1,850	6.6	28,460	25,970	2,490	8.7	28,270	25,240	3,030	10.7
Grays Harbor	27,840	25,740	2,100	7.5	27,930	25,720	2,210	7.9	27,260	24,710	2,550	9.4
Island	22,790	22,040	750	3.3	22,630	21,790	840	3.7	22,120	21,110	1,010	4.6
Jefferson	9,510	9,140	370	3.9	9,550	9,150	400	4.2	9,300	8,870	430	4.6
Kittitas	12,340	11,660	680	5.5	12,240	11,360	880	7.2	11,650	10,870	780	6.7
Klickitat	8,710	8,040	670	7.7	9,010	8,240	770	8.5	8,750	7,710	1,040	11.9
Lewis	26,340	24,660	1,680	6.4	26,370	24,500	1,870	7.1	26,290	24,400	1,890	7.2
Lincoln	4,550	4,430	120	2.6	4,640	4,480	160	3.4	4,760	4,580	180	3.8
Mason	14,020	13,180	840	6.0	14,150	13,210	940	6.6	13,560	12,570	990	7.3
Okanogan	17,080	15,200	1,880	11.0	18,270	16,600	1,670	9.1	16,330	14,240	2.090	12.8
Pacific	7,840	7,240	600	7.7	8,220	7,640	580	7.1	7,880	7,190	690	8.8
Pend Oreille	3,250	2,880	370	11.4	3,370	2,920	450	13.4	4,280	3,870	410	9.6
San Juan	7,340	7,200	140	1.9	7,460	7,320	140	1.9	6,940	6,790	150	2.2
Skagit	42,180	39,610	2,570	6.1	43,490	40,900	2,590	6.0	40,610	37,880	2,730	6.7
Skamania	2.090	1,800	290	13.9	2,110	1,820	290	13.7	2,250	1,900	350	15.6
Stevens	12.490	11,590	900	7.2	12,700	11,650	1,050	8.3	12,530	11,560	970	7.7
Wahkiakum	1,390	1,310	80	5.8	1,420	1,320	100	7.0	1,530	1,440	90	5.9
Walla Walla	24,730	23,550	1,180	4.8	25,460	24,180	1,280	5.0	24,590	23,300	1,290	5.2
Wenatchee Labor Area	43,340	39,230	4,110	9.5	47,400	43,650	3,750	7.9	42,630	37,490	5,140	12.1
Chelan County‡	28.780	26,010	2,770	9.6	31,620	28,940	2,680	8.5	28,430	24,860	3,570	12.6
Douglas County‡	14,560	13,220	1,340	9.2	15,780	14,710	1,070	6.8	14,210	12,640	1,570	11.0
Whitman	18,880	18,510	370	2.0	18,220	17,770	450	2.5	18,790	18,280	510	2.7

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

AUGUST 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 4.6%


WHATCOM 4.3%
SAN JUAN 1.9%
SKAGIT 6.1%
ISLAND 3.3%
CLALLAM 6.0%
SNOHOMISH 3.7%
JEFFERSON 3.9%
KITSAP 4.4%
KING 3.3%
MASON 6.0%
GRAYS HARBOR 7.5%
PIERCE 4.5%
THURSTON 4.7%
PACIFIC 7.7%
LEWIS 6.4%
COWLITZ 6.4%
WAHKIAKUM 5.8%
CLARK 4.7%
SKAMANIA 13.9%
OKANOGAN 11.0%
CHELAN 9.6%
DOUGLAS 9.2%
KITTITAS 5.5%
YAKIMA 8.8%
KLICKITAT 7.7%
FERRY 6.6%
STEVENS 7.2%
PEND OREILLE 11.4%
LINCOLN 2.6%
SPOKANE 4.8%
GRANT 6.6%
ADAMS 7.7%
WHITMAN 2.0%
FRANKLIN 10.5%
BENTON 5.8%
WALLA WALLA 4.8%
COLUMBIA 9.6%
GARFIELD 2.7%
ASOTIN 3.3%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary August Production Workers & Nonsuspervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Aug 90	Jul 90	Aug 89	Aug 90	Jul 90	Aug 89	Aug 90	Jul 90	Aug 89
TOTAL MANUFACTURING INDUSTRIES[1]	218,716	$514.00	$521.49	$499.32	40.0	39.9	40.3	$12.85	$13.07	$12.39
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,444	$466.32	$462.00	$436.92	40.2	40.0	38.7	$11.60	$11.55	$11.29
Primary Metal Industries	10,441	$558.91	$568.71	$517.04	42.6	42.6	41.1	$13.12	$13.35	$12.58
Fabricated Metal Products	10,119	$502.60	$510.88	$486.39	41.4	41.2	40.6	$12.14	$12.40	$11.98
Machinery	20,055	$419.71	$419.39	$389.26	38.4	38.3	39.2	$10.93	$10.95	$9.93
Food and Kindred Products	28,549	$375.89	$381.76	$362.03	38.2	37.1	37.4	$9.84	$10.29	$9.68
Chemical and Allied Products	4,659	$654.53	$684.13	$644.27	41.4	43.0	41.7	$15.81	$15.91	$15.45
Transportation Equipment	57,956	$655.20	$654.27	$643.70	42.0	41.7	43.7	$15.60	$15.69	$14.73
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	98,511	$636.71	$636.27	$645.74	37.3	37.1	38.3	$17.07	$17.15	$16.86
Wholesale and Retail Trade (Includes eating and drinking establishments)	480,490	$283.35	$287.91	$267.49	30.9	31.5	30.5	$9.17	$9.14	$8.77

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[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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Washington LABOR MARKET

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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

October 1990

Volume 14, Number 10

Highlights

Seasonals In September

Washington's economy moved up seasonally in September. Reopening of schools brought thousands of non-teaching support staff back into the active workforce. At the same time, returning students exited the workforce en masse. With the balance of the economy showing little change, the combination boosted job levels to highs for the year and drove the statewide unemployment rate down sharply over the month. Despite the fact that overall job growth has slowed from the extraordinary pace of 1988-89, the economy nonetheless proceeds to build. Month-to-month movements through the second and third quarters reflected fairly typical seasonal additions to a greatly elevated base established after seven years of unprecedented growth culminating in the first quarter.

Demographics has been an added driver. Despite an estimated 100,000 net migration into Washington over the past year, the numbers of youth in the 16-to-24 year old age cohort continue to taper off owing to the baby-dearth of the early 1970s. This is a national phenomena not easily addressed through other labor market shifts. The pattern is one of the reasons that labor markets in Washington have remained so tight at a time when overall job growth has eased. Again in September, as youth were siphoned back to school, employment in retail trade fell temporarily because of issues with supply rather than demand.

The remainder of the year is likely to follow suit. Current projections by the state Office of the Forecast Council show seasonally adjusted employment over the next two quarters staying basically flat. That means little other than normal seasonal trend will be acting upon the economy over the next several months. Uncertainties coming out of the Mid-East crisis hang heavy on any future economic assessment. But barring an outbreak in hostilities or a major disruption in oil supplies, the economy to year-end should proceed relatively unchanged.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate dropped in September from 4.6 percent to 4.2 percent of the workforce – the lowest of any month since October 1968. Since the beginning of the year, there has been persistent downward movement in the jobless numbers as fairly typical seasonal patterns have operated off the high in the first quarter. September's unemployment rate measured significantly below the 5.8 percent recorded a year earlier. And for the fourth consecutive month stood lower than the national average – unprecedented in postwar history.

Underlying the state's performance vis-a-vis the rest of the nation are several key elements. The Boeing backlog, which underscored upwards of a third of the state's economic growth in recent years, proceeds to build. Go ahead on the new generation 777 extends current high production levels in that industry well beyond 1995. Secondly, a substantial portion of Washington's farm and manufactured output is exported to foreign markets, thereby marching to a different drummer. Population growth in 1990 is estimated to be among the highest of any year in a decade. And carryover from growth which has already taken place in the basic goods-producing sectors continues to impact the delivery level in services and trade.

Resident Civilian Labor Force

Employment and Unemployment in Washington State

	Sep 1990 *Preliminary*	**Aug 1990** *Revised*	**Sep 1989**
Resident Civilian Labor Force	2,454,400	2,529,300	2,448,000
Employment	2,350,700	2,412,100	2,307,100
Unemployment	103,700	117,200	140,900
Unemployment Rate	4.2%	4.6%	5.8%
National Unemployment Rate	5.1%	5.4%	5.5%

Data in this table are not seasonally adjusted.
Sources: Employment Security Department;
U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total nonfarm employment rose in September by 18,700 workers. All of the gain centered in public and private education as non-teaching staff were rehired for the fall term. An end to summer weather pulled down activity throughout most of the rest of the economy. Construction dropped typically by 200 over the month after peaking at an all-time high of 128,400 in August. Trade pulled back by 600 as the sharp uptick in wholesaling (+ 2,200) associated with movement of farm product to market was offset by seasonal retrenchment at eating and drinking establishments (-2,700). Services other than education inched up by 700.

State and local education set the pace. Rehiring of maintenance workers, cafeteria staff, and office personnel totalled 21,500 in September. It should be noted that teachers are paid on a 12-month contract and, thus, not considered furloughed during the summer months. Another increment of near equal proportion will occur in October at colleges and universities which open later than K-12. Public education employment totalled 152,900 in September, up 2 percent from a year before.

Enrollment, on the other hand, is up 3.5 percent going into the fall term.

Manufacturing - A Series Of Give And Take

On balance, Washington's manufacturing sector held firm. Total payrolls eased by 200 as seasonal offsets in the resource-based industries basically compensated for one another over the month. Only food processing (+900) added significantly to payrolls in September as that industry traditionally moved to its seasonal high for the year. A total of 40,600 workers were engaged in packaging and processing the state's summer bounty in the latest month in what proved to be an outstanding crop season.

Meanwhile, normal retrenchment pulled back activity in lumber and wood products (-400), paper and allied products (-200), primary metals (-200), and printing and publishing (-200). These industries typically draw down beginning in September for the balance of the year. This year's change looked no more than usual. The combination of lower demand and emerging constraints on available timber supply, however, will be increasing factors in the forest products industry's performance hereon out. Estimates peg the direct loss from proposed harvest reductions on federal and state lands in Washington State at between 6,900 and 7,800 jobs.

Aircraft production showed no change. In fact, the job count for the industry has not moved appreciably since July. Earlier announcements by Boeing of an expected 6,000-worker cutback in 1990 now appear to have been grossly overstated. Employment losses through the first six months measured 3,200. Most of that was accomplished through attrition thereby generating minimal impact to the economy. With current backlogs building faster than output and commercial production heading upward from 34 to 38 planes a month, there is every reason to suspect that whatever adjustments were deemed necessary coming into the year have now been met.

Nonmanufacturing - Return Of The Grey

As the summer tourist season faded so did the peak of activity throughout much of services and trade. Payrolls at hotels and lodging facilities dropped by 100 over the month; eating and drinking establishments by 2,700. The latter has witnessed this kind of pullback only once before – in September of last year. In all likelihood, demographics are behind the blip as working youth exit the labor market for school at a time of pressing youth shortages. Further seasonal loss in September centered in real estate (-400) and construction (-200).

But services were not all dark. Return to fall boosted business and personnel services by 450 and 550 workers, respectively. In addition, startup of the state's cultural events including the ballet and symphony seasons added workers in amusements and recreation. A further plus in September was the two-week run of the Western Washington State Fair which typically provides direct employment for 1,500 together with an additional estimated 5,000 at concessions and amusements scattered throughout the area.

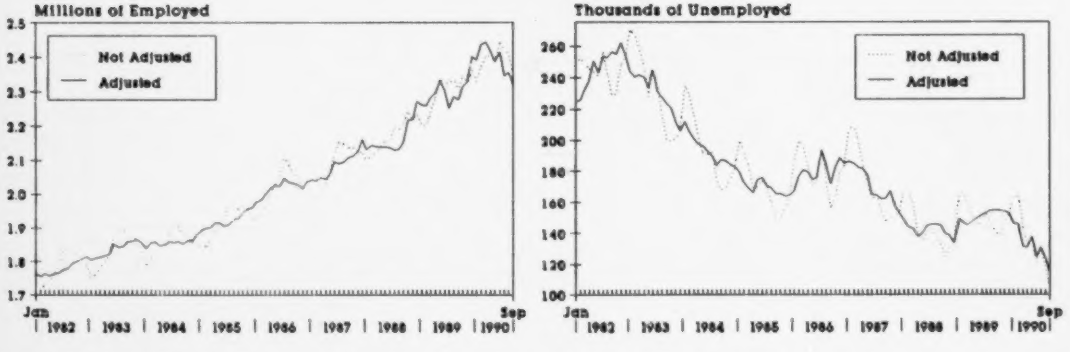
12-Month Expansion Continues Respectable

While year-to-year growth has progressively narrowed each month since January, the margin through the third quarter nonetheless remains respectable. September-to-September was up 82,500 workers, or 4 percent. Only in contrast to the high growth years of 1987-89, when employment averaged 5 percent annually, do recent comparisons pale. The long-term historical average for the state is roughly 2.9 percent and the nation as a whole in September was up a lesser 1.5 percent.

Manufacturing has been the major drag. Basic industrial payrolls were off 3,300 over the year in September. Cutbacks in aircraft (-2,300) and lumber and wood products (-1,100) accounted for much of the shortfall. However, losses have also recently crept up in primary metals (-700), textiles and apparel (-300), and other transportation equipment production (-1,300). Fortunately, machinery (+ 800) continues to track higher than a year ago. Likewise, food processing (+ 600) and fabricated metals (+ 200). Thanks to significant environmental restoration work at Hanford, the chemicals sector of the economy has been boosted by 800 over the past year.

Services, in contrast, continues to build. Employment in the services and trade sectors has accounted for fully two-thirds of the state's total job creation over the past 12 months. And that proportion is building. Retailing alone has added 20,500 workers since September 1989, of which half has come at area eating and drinking establishments. Another 9,500 has centered in health services – mostly clinics and specialized health care facilities. Business services is up 5,700 workers; government, 11,100; and construction, 11,400.

Washington State Total Resident Employment and Unemployment
January 1982 - September 1990



Source: Employment Security Department

AREA TRENDS

Metro At 4 percent

Joblessness in Washington's metropolitan areas pushed downward to a low 4.0 percent in September. As usual, the Seattle PMSA took the lead at 3.4 percent. Tacoma registered 4.6 percent; Spokane, 4.8 percent. All three were unchanged from August but down better than a percentage point from a year before. Yakima and the Tri-Cities accounted for the big movement over the month, each dropping on the strength of higher agricultural production. The Franklin County portion of the Tri-Cities shifted from 11.0 percent to 7.9 percent unemployed, while Yakima dropped from 8.7 percent to 5.6 percent. Both touched their seasonal lows for the year.

More In The Fields And Forests

Typical seasonal patterns in September lowered unemployment throughout the agricultural and timber-dependent economies. Overall unemployment in eastern Washington dropped from 6.6 percent to 5.2 percent over the month – the lowest for the year to date. Some of the largest swings came in Okanogan County (from 11.0 percent to 6.6 percent) and the Wenatchee area of Chelan and Douglas counties (from 9.5 percent to 5.4 percent) as the apple harvest season got underway. Unemployment in the logging and lumber areas of western Washington averaged 6.2 percent in September compared to 6.9 percent a month before.

INDUSTRY NOTES

Apples Abound

Washington's 1990 apple crop is looked to be the best in three years. Higher prices and less competition from other growing states have returned profitability to orchardists after being battered for three seasons by weather damage, the Alar scare, and wholesale prices below the cost of production. Early sales of the new crop hit record levels at wholesale prices for Red Delicious, nearly double a year ago. Production is estimated at 111 million boxes with 72 million going to fresh markets. The apple industry is a major economic force in Washington state with 160,000 acres in orchards throughout the central region.

According to the Washington Apple Commission, this year's crop is estimated to be worth $800 million to the state economy.

Embattered Tacoma Boat

Once again, Tacoma Boatbuilding has hit the shoals of financial rough seas. The company has closed its shipyard and laid off most of its workers. Tacoma Boat emerged from bankruptcy court reorganization several years ago but has continued to struggle ever since, losing $6 million through September of this year. The Navy removed the USNS Hayes from work-in-progress on December 1. Approximately 300 workers are affected.

Construction Gears Down

As if anyone needed to be told, the housing market in the central Puget Sound region has cooled dramatically since last spring. New home construction starts between April and September were off close to half compared to the previous six months. Nine builders surveyed by the Seattle-Everett Real Estate Research committee reported sales down from 799 to 431 over the same time period and inventories of unsold homes more than double. The average selling price of existing homes in King County was pegged at $172,100 in the third quarter, down 1 percent from the peak in the second quarter. And apartment vacancies in King and Snohomish counties have edged up to 4.1 percent from 3.5 percent a year ago.

Courting A Third Owner

Matsushita Electronics plans to buy National Semiconductor's Puyallup plant for $86 million, pending government approval. This would be the third owner of the manufacturing facility since production began in 1983. The plant was opened by Fairchild and bought by National Semiconductor in 1987. National security prohibits the transfer of semiconductor chip technology to foreign sources. But Matsushita plans to make dynamic random access memory and logic processor chips at the Puyallup plant. The sale will save 600 jobs.

NATIONAL INDICATORS

How Now, GNP?

Preliminary estimates of the nation's gross output in the third quarter showed an unexpected pickup despite the dampening effect of higher oil prices. The economy managed to grow at a 1.8 percent annual rate over the July to September period – the fastest clip since the first quarter of 1989. Second quarter 1990 had fallen to 0.4 percent. Few economists, however, were buoyed by the announcement. Indicators that tend to predict the course of the economy are all headed downward. Consumer confidence is sliding; orders for big-ticket durables are down; and housing starts are running at the lowest level since the 1981-82 recession. Clearly, the third quarter looks to be an aberration if the numbers hold through two rounds of revisions over the next couple months. Even the normally optimistic White House staff expect the fourth quarter to be abysmally weak.

Borrowing To Cope

But American consumer not willing to take it on the chin. Consumer spending jumped 1.1 percent in September as personal income rose only 0.5 percent. Savings were tapped to make up the difference. The nation's savings rate dropped over the month from 4.0 percent to 3.5 percent of disposable income – low by any standards. There is a limit to how much spending can be effectively subsidized. Any reasonable outlook assumes some cutback in consumer spending over the balance of the year. September may have been the last hurrah.

Oil Shock Hits With A Vengeance

Income is being siphoned off by inflation. Wholesale prices soared 1.6 percent in September as gasoline prices shot up at the fastest pace of any month on record. The oil shock hit the economy with a bang. At the earliest stage of production, crude oil prices jumped 20.4 percent over the month, sparking fears that similar increases will affect petroleum-made products throughout the pipeline. But equally worrisome, prices excluding energy and food were up 0.6 percent in September – twice the August gain.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			**% Change From**	
U.S. City	Sep 90	Aug 90	Sep 89	Aug 90	Sep 89
Average	132.7	131.6	125.0	0.8%	6.2%
Seattle†	Jan-Jun 1990	Jan-Jun 1989		Jan-Jun 1989	
	124.2	116.7		6.4%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

The Washington Labor Market is prepared each month by

Dennis Fusco, Chief Economist

Labor Market and Economic Analysis Branch

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

(In Thousands) (Not Seasonally Adjusted)

Industry	Sep 1990 (Prel)	Aug 1990 (Rev)	Sep 1989 (Rev)	Aug 1989 (Rev)	Numeric Change Aug 1990 to Sep 1990	Numeric Change Sep 1989 to Sep 1990
TOTAL NONAG. WAGE AND SALARY	2,172.3	2,153.6	2,089.8	2,065.7	18.7	82.5
MANUFACTURING	369.5	369.7	372.8	371.4	-0.2	-3.3
Durable Goods	258.7	259.5	263.1	263.0	-0.8	-4.4
Lumber & Wood Products	40.9	41.3	42.0	42.7	-0.4	-1.1
Furniture & Fixtures	4.5	4.5	4.0	4.0	0.0	0.5
Stone, Clay & Glass	7.8	7.8	7.8	7.9	0.0	0.0
Primary Metals	12.8	13.0	13.5	13.6	-0.2	-0.7
Aluminum	8.9	9.0	9.2	9.3	-0.1	-0.3
Fabricated Metals	12.6	12.5	12.4	12.2	0.1	0.2
Industrial Machinery & Equipment	19.7	19.8	19.2	19.4	-0.1	0.5
Electronic & Other Electrical Equipment	12.1	12.1	11.8	11.8	0.0	0.3
Transportation Equipment	127.7	127.9	131.3	130.3	-0.2	-3.6
Aircraft and Parts	113.1	113.1	115.4	115.0	0.0	-2.3
Instruments & Related	14.4	14.6	15.0	15.1	-0.2	-0.6
Miscellaneous Manufacturing	6.2	6.0	6.1	6.0	0.2	0.1
Nondurable Goods	110.8	110.2	109.7	108.4	0.6	1.1
Food & Kindred Products	40.6	39.7	40.0	38.8	0.9	0.6
Preserved Fruits & Vegetables	16.4	15.5	16.8	15.2	0.9	-0.4
Textiles, Apparel & Leather	7.8	7.8	8.1	8.0	0.0	-0.3
Paper & Allied Products	18.6	18.8	18.7	18.8	-0.2	-0.1
Printing & Publishing	22.2	22.4	22.2	22.0	-0.2	0.0
Chemicals & Allied Products	13.2	13.2	12.4	12.5	0.0	0.8
Petroleum, Coal, Plastics	8.4	8.3	8.3	8.3	0.1	0.1
MINING & QUARRYING	4.1	4.2	3.7	3.7	-0.1	0.4
CONSTRUCTION	128.2	128.4	116.8	116.8	-0.2	11.4
TRANSPORTATION, COMM., & UTIL	114.9	114.9	111.2	110.5	0.0	3.7
WHOLESALE & RETAIL TRADE	539.3	539.9	512.4	512.0	-0.6	26.9
Wholesale Trade	136.0[2]	133.8[2]	129.6	126.8	2.2	6.4
Retail Trade	403.3	406.1	382.8	385.2	-2.8	20.5
General Merchandise	38.9	38.5	39.1	37.9	0.4	-0.2
Food Stores	68.3	68.0	63.6[2]	62.6[2]	0.3	4.7
Eating & Drinking	147.9	150.6	137.9	140.9	-2.7	10.0
FINANCE, INS., & REAL ESTATE	118.1	118.6	114.3	114.4	-0.5	3.8
Finance	53.4	53.5	51.8	51.8	-0.1	1.6
SERVICES	512.2	507.0	483.7	479.5	5.2	28.5
Hotels & Lodging	27.9	28.0	26.2	26.5	-0.1	1.7
Business Services	84.7	84.3	79.0	78.9	0.4	5.7
Health Services	151.8	151.6	142.3	142.0	0.2	9.5
Hospitals	49.9	49.8	47.1[2]	46.9[2]	0.1	2.8
GOVERNMENT	386.0	370.9	374.9	357.4	15.1	11.1
Federal	74.3	74.8	73.1	72.8	-0.5	1.2
State	111.1	104.2	106.5	98.2	6.9	4.6
Local	200.6	191.9	195.3	186.4	8.7	5.3
State Education	52.6	45.2	51.6	43.6	7.4	1.0
Local Education	100.3	86.2	98.1	82.3	14.1	2.2
LABOR-MANAGEMENT DISPUTES	0.5	0.0	1.3	8.0	0.5	-0.8

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[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management dispute.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

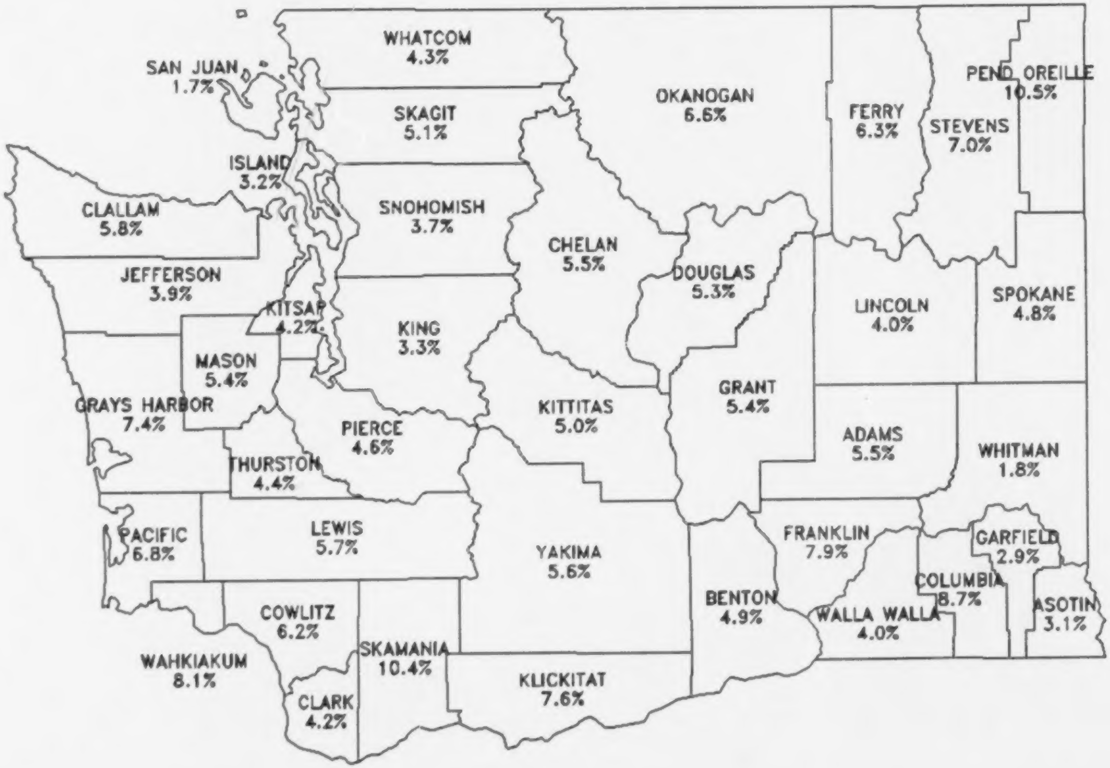
Date: 10/31/90
Benchmark: 1989

Not Seasonally Adjusted	September 1990 Preliminary†				August 1990 Revised†				September 1989 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,454,400	2,350,700	103,700	4.2	2,529,300	2,412,100	117,200	4.6	2,448,000	2,307,100	140,900	5.8
Bellingham MSA	65,500	62,700	2,800	4.3	68,100	65,200	2,900	4.3	64,700	60,700	4,000	6.2
Bremerton MSA	79,400	76,100	3,300	4.2	81,500	77,900	3,600	4.4	79,500	75,300	4,200	5.3
Olympia MSA	81,300	77,700	3,600	4.4	84,300	80,400	3,900	4.6	78,800	74,000	4,800	6.1
Seattle PMSA	1,094,200	1,056,800	37,400	3.4	1,136,100	1,097,100	39,000	3.4	1,091,900	1,041,200	50,700	4.6
King County‡	863,900	835,000	28,900	3.3	896,900	866,800	30,100	3.4	863,000	822,700	40,300	4.7
Snohomish County‡	230,300	221,800	8,500	3.7	239,200	230,300	8,900	3.7	229,000	218,600	10,400	4.5
Spokane MSA	165,900	157,900	8,000	4.8	168,200	160,100	8,100	4.8	168,900	158,600	10,300	6.1
Tacoma PMSA	251,900	240,400	11,500	4.6	259,400	247,500	11,900	4.6	251,000	235,000	16,000	6.4
Tri-Cities MSA	73,800	69,700	4,100	5.6	76,200	70,900	5,300	7.0	72,400	67,300	5,100	7.0
Benton County‡	57,400	54,600	2,800	4.9	59,000	55,500	3,500	5.9	56,500	52,700	3,800	6.7
Franklin County‡	16,400	15,100	1,300	7.9	17,300	15,400	1,900	11.0	15,900	14,600	1,300	8.2
Vancouver PMSA	124,700	119,500	5,200	4.2	127,800	121,800	6,000	4.7	123,700	116,400	7,300	5.9
Yakima MSA	103,100	97,300	5,800	5.6	105,300	96,100	9,200	8.7	103,000	94,800	8,200	8.0
Adams	7,500	7,090	410	5.5	7,240	6,670	570	7.9	7,550	7,060	490	6.5
Asotin	9,240	8,950	290	3.1	9,590	9,270	320	3.3	9,190	8,770	420	4.6
Clallam	24,330	22,930	1,400	5.8	24,900	23,390	1,510	6.1	25,180	23,370	1,810	7.2
Columbia	1,500	1,370	130	8.7	1,570	1,420	150	9.6	1,630	1,430	200	12.3
Cowlitz	38,460	36,070	2,390	6.2	39,300	36,760	2,540	6.5	38,520	34,850	3,670	9.5
Ferry	3,170	2,970	200	6.3	3,300	3,080	220	6.7	3,180	2,860	320	10.1
Garfield	1,040	1,010	30	2.9	1,110	1,080	30	2.7	1,070	1,040	30	2.8
Grant	28,510	26,970	1,540	5.4	27,850	25,970	1,880	6.8	28,670	26,590	2,080	7.3
Grays Harbor	27,050	25,060	1,990	7.4	27,870	25,760	2,110	7.6	26,910	24,160	2,750	10.2
Island	21,820	21,130	690	3.2	22,710	21,960	750	3.3	21,070	20,090	980	4.7
Jefferson	9,220	8,860	360	3.9	9,530	9,150	380	4.0	9,140	8,670	470	5.1
Kittitas	12,680	12,050	630	5.0	12,360	11,660	700	5.7	12,070	11,240	830	6.9
Klickitat	8,660	8,000	660	7.6	8,700	8,030	670	7.7	8,500	7,740	760	8.9
Lewis	24,550	23,160	1,390	5.7	26,520	24,820	1,700	6.4	26,110	23,660	2,450	9.4
Lincoln	4,270	4,100	170	4.0	4,540	4,420	120	2.6	4,390	4,210	180	4.1
Mason	13,940	13,190	750	5.4	14,060	13,210	850	6.0	13,580	12,540	1,040	7.7
Okanogan	18,690	17,450	1,240	6.6	17,080	15,200	1,880	11.0	18,060	16,620	1,440	8.0
Pacific	7,400	6,900	500	6.8	7,850	7,240	610	7.8	7,660	6,820	840	11.0
Pend Oreille	3,130	2,800	330	10.5	3,270	2,890	380	11.6	3,810	3,420	390	10.2
San Juan	6,580	6,470	110	1.7	7,350	7,210	140	1.9	6,270	6,040	230	3.7
Skagit	40,060	38,000	2,060	5.1	42,480	39,890	2,590	6.1	38,440	35,440	3,000	7.8
Skamania	2,020	1,810	210	10.4	2,090	1,800	290	13.9	2,190	1,880	310	14.2
Stevens	11,840	11,010	830	7.0	12,510	11,600	910	7.3	12,260	11,310	950	7.7
Wahkiakum	1,240	1,140	100	8.1	1,330	1,250	80	6.0	1,340	1,230	110	8.2
Walla Walla	24,380	23,410	970	4.0	24,870	23,670	1,200	4.8	24,440	23,290	1,150	4.7
Wenatchee Labor Area	43,470	41,110	2,360	5.4	43,250	39,130	4,120	9.5	43,170	40,240	2,930	6.8
Chelan County‡	28,830	27,250	1,580	5.5	28,740	25,940	2,800	9.7	28,700	26,680	2,020	7.0
Douglas County‡	14,640	13,860	780	5.3	14,510	13,190	1,320	9.1	14,470	13,560	910	6.3
Whitman	19,840	19,490	350	1.8	18,850	18,480	370	2.0	19,870	19,360	510	2.6

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

SEPTEMBER 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 4.2%


WHATCOM 4.3%
SAN JUAN 1.7%
OKANOGAN 6.6%
FERRY 6.3%
STEVENS 7.0%
PEND OREILLE 10.5%
SKAGIT 5.1%
ISLAND 3.2%
CLALLAM 5.8%
SNOHOMISH 3.7%
CHELAN 5.5%
DOUGLAS 5.3%
JEFFERSON 3.9%
KITSAP 4.2%
KING 3.3%
LINCOLN 4.0%
SPOKANE 4.8%
MASON 5.4%
GRANT 5.4%
GRAYS HARBOR 7.4%
KITTITAS 5.0%
PIERCE 4.6%
ADAMS 5.5%
WHITMAN 1.8%
THURSTON 4.4%
LEWIS 5.7%
PACIFIC 6.8%
YAKIMA 5.6%
FRANKLIN 7.9%
GARFIELD 2.9%
COLUMBIA 8.7%
BENTON 4.9%
WALLA WALLA 4.0%
ASOTIN 3.1%
COWLITZ 6.2%
SKAMANIA 10.4%
WAHKIAKUM 8.1%
KLICKITAT 7.6%
CLARK 4.2%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary September Production Workers & Nonsuspervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Sep 90	Aug 90	Sep 89	Sep 90	Aug 90	Sep 89	Sep 90	Aug 90	Sep 89
TOTAL MANUFACTURING INDUSTRIES[1]	220,857	$521.64	$508.56	$499.32	40.5	39.7	40.3	$12.88	$12.81	$12.39
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,119	$459.36	$435.46	$431.66	39.6	38.4	38.2	$11.60	$11.34	$11.30
Primary Metal Industries	10,242	$568.28	$559.30	$513.95	42.6	42.5	40.5	$13.34	$13.16	$12.69
Fabricated Metal Products	10,164	$528.04	$506.72	$475.61	43.0	41.5	39.8	$12.28	$12.21	$11.95
Machinery	20,144	$427.90	$416.70	$394.00	38.9	38.3	39.4	$11.00	$10.88	$10.00
Food and Kindred Products	29,913	$393.98	$374.96	$356.57	40.7	38.3	38.3	$9.68	$9.79	$9.31
Chemical and Allied Products	4,689	$708.99	$654.95	$648.95	43.9	41.4	43.7	$16.15	$15.82	$14.85
Transportation Equipment	57,939	$658.02	$655.20	$635.04	42.1	42.0	43.2	$15.63	$15.60	$14.70
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	97,473	$652.46	$639.00	$664.13	38.0	37.5	38.5	$17.17	$17.04	$17.25
Wholesale and Retail Trade (Includes eating and drinking establishments)	478,803	$300.02	$283.65	$277.06	32.4	31.0	31.2	$9.26	$9.15	$8.88

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[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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JOB SERVICE

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

November 1990

Volume 14, Number 11

Highlights

Slower Economy Begins To Bite

Washington's labor market finally reacted to a slowed economy beginning in October. Statewide unemployment mounted over the month rather than falling typically to the low for the year. The increment from 4.3 percent to 4.6 percent was not overwhelming but it marked the first hint that higher oil prices and a weakened national economy were beginning to bite. Normal seasonal runup in education and fairly typical retrenchment elsewhere occurred in the economy. However, the pullback of retailing in October was the heaviest for the month in five years and signalled something more than a change of seasons.

Consumer spending across the country is being taxed by the rise in oil prices. The 35 percent runup in gasoline costs at the pump since August has cut heavily into overall purchasing power. Sales of big-ticket items, such as housing and autos, are now languishing at levels not seen since the 1981-82 recession. Uncertainties arising out of the Middle East crisis have cast a pall on consumer confidence generally. And shopkeepers are leery that the Christmas rush, which traditionally accounts for upwards to half of annual sales, will do well to simply match a year ago. With two-thirds of GNP arising out of personal consumption expenditures, positioning of the consumer casts a long shadow.

The most recent issue of *Business Week*, devoted to the 1991 industry outlook, puts some of this in perspective. Included in the retailing outlook is the comment: *"After a decade of shopping more, consumers entered the 1990s all spent out. As 1990 wore on ... (growth) in disposable income slowed dramatically. 'Now,' says David Kelly of DRI/McGraw Hill, 'consumers don't have a ... lot of room to increase spending.' A drop in housing values, (moreover), is also making many people feel poorer than a year ago. And as shoppers pull back, retailers will feel more intensely the effects of overexpansion in the 1980s...."*

Taxable retail sales in Washington State continue to mount. But the rate of increase has slowed on a seasonally adjusted basis beginning in the second quarter. It's anyone's guess what the fourth quarter will look like when the figures are finally tallied. But the Office of the Forecast Council projects a marked deceleration in taxable retail sales growth to 4.4 percent for the fiscal year beginning in July after an exuberant 14 percent over the previous 12 months.

LABOR FORCE AND UNEMPLOYMENT

Despite the atypical October movement, statewide unemployment held significantly below the national and prior-year averages. Washington's jobless rate dipped below the national average beginning in June – the first time since briefly in 1966 at the height of the "Boeing Boom." The period marks the longest protracted time in postwar history that the reported levels have remained positive vis-a-vis the nation as a whole. Continued growth of the economy at a time of rolling recession elsewhere is the cause. Traditionally, even in the best of times, seasonal factors alone account for a one to two percentage point margin on average between the state and national totals.

How much longer can the spread be maintained? Certainly, normal wintertime pullback in the resource-based industries over the next several months will drive overall joblessness higher. The swing from peak to trough averages on the order of two percentage points. Couple that with the dual impact of both supply and demand pulling down the forest products industry – a major player in the Washington economy. Employment loss in the lumber and wood products sector as a result of timber harvest restrictions is expected to measure anywhere between 6,900 and 7,800 workers out of an industry total of roughly 41,000. And, finally, the engine of growth provided by 54,000 job additions in aerospace from 1984 to 1989 has ended. In all likelihood, the state from here on out will track closer to that of the nation as a whole.

Resident Civilian Labor Force

Employment and Unemployment in Washington State

	Oct 1990 *Preliminary*	**Sep 1990** *Revised*	**Oct 1989**
Resident Civilian Labor Force	2,464,000	2,455,400	2,482,600
Employment	2,350,600	2,350,700	2,345,100
Unemployment	113,400	104,700	137,500
Unemployment Rate	4.6%	4.3%	5.5%
National Unemployment Rate	5.4%	5.5%	5.0%

Data in this table are not seasonally adjusted.
Sources: Employment Security Department;
U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total nonfarm employment in the state heightened over the month by a modest 5,300 workers. More than compensating gain took place in public and private education as non-teaching staff at colleges and universities were rehired for the fall term. Much of the balance of the economy showed fairly normal retrenchment. Construction dropped by 2,100 as wetter weather affected activity, particularly on state highways and public works projects. An end to the summer tourist season and timing on various state fairs pulled 1,800 out of amusement and recreation. Wholesale and retail trade cut back by 4,800.

State and local education provided the only sizable offset. Rehiring of maintenance workers, cafeteria staff, and office personnel at area colleges and universities totalled 20,200 in October following similar restaffing for K-12 in September. This brought public education employment in the state to 171,600 going into the 1990-91 academic year. The increase of 2.3 percent over a year before was less than registered for the total economy and less than the corresponding growth in statewide population.

Manufacturing Downsizes More Than Seasonally

Manufacturing payrolls, meanwhile, scaled back by 3,200. The average over the past five years was roughly 1,000. Better than half the loss for October centered in food processing (-1,500) where return to more normal seasonal patterns this year converged with typical downsizing over the month off the seasonal high in September. Year ago harvests had been extended by very atypical weather conditions. Other significant industrial losses for the month were recorded in lumber and wood products (-800), paper and allied products (-400), and stone, clay, and glass (-300).

Meanwhile, aerospace took off again after holding on the tarmac since May. The industry added 200 workers over the month – the first increase since the beginning of the year. Total payrolls had been pared back by 3,000 through the first half en route to an expected 6,000 reduction for the year as a whole. Most of the pullback was accomplished through attrition and primarily reflected realignment of employment to output simply to take account of productivity gains. Sales continue strong. Output has risen from a low of 20 to 34 planes a month, heading toward a targeted 38 a month by mid-1991.

Public Payrolls Take Up The Slack

Construction and most of the services sectors moved lower with average daytime temperatures. Employment in heavy construction dropped in October by 1,100, or 6 percent. General building scaled back by 700. In both cases, the pattern looked very much like recent history (with the exception of the past couple years when work-in-place mounted to all-time highs). Housing has pulled back systematically since early last spring. But any comparisons are relative against a very high base. And construction employment in the latest month still totalled 10,300, or nearly 9 percent, above a year before.

An end to the tourist season pulled back activity throughout many portions of services and trade. Those sectors most directly affected included hotels (-600), eating and drinking establishments (-3,700), and amusements and recreation (-1,900). On the plus side, a fall buildup of 700 and 500, respectively, took place in business and health services. However, the overwhelming boost not only for services but the economy in general was a net gain of 22,000 in public and private education.

Over-the-Year Continues To Look Good

Washington's economy proceeds to build off the base established coming into the year. The year-to-year margin has progressively narrowed since the first quarter. But the October-to-October spread of 77,800, or 3.7 percent, remains respectable. Only two states in the nation (Nevada and Utah) posted larger relative gains than Washington over the past 12 months. The Pacific Northwest, and Washington in particular, stand out at a time of growing recession nationally in which 10 states registered lower than prior-year employment totals for October.

Manufacturing has pulled the economy in tandem. Industrial payrolls were off 5,400 over the year in October. Seasonal patterns for the most part have been unaffected this year. However, the drag from aerospace (-2,400) and lumber and wood products (-1,300) proved too much. Losses have also crept up in primary metals (-500), textiles and apparel (-400), and other transportation equipment manufacturing (-1,800). Some offset comes from gains in machinery (+ 800), furniture (+ 400), and chemicals (+ 700). The latter is primarily due to additional environmental restoration work at Hanford.

Services has maintained the pace. Employment buildup in services (+ 27,400) and trade (+ 23,500) has accounted for fully two-thirds of the state's total job growth over the past 12 months. And the proportion is mounting. Retailing has added 17,800 workers over the year, with more than half of that increase centered in area eating and drinking establishments (+ 9,800). General merchandise (-1,500) and specialty apparel shops (-700) are down. Another 9,800 has come in health care – mostly clinics and specialized health services aside from hospitals. Business services are up 5,800; government, 14,300; construction, 10,300.

AREA TRENDS

Metropolitan Areas Set The Pace

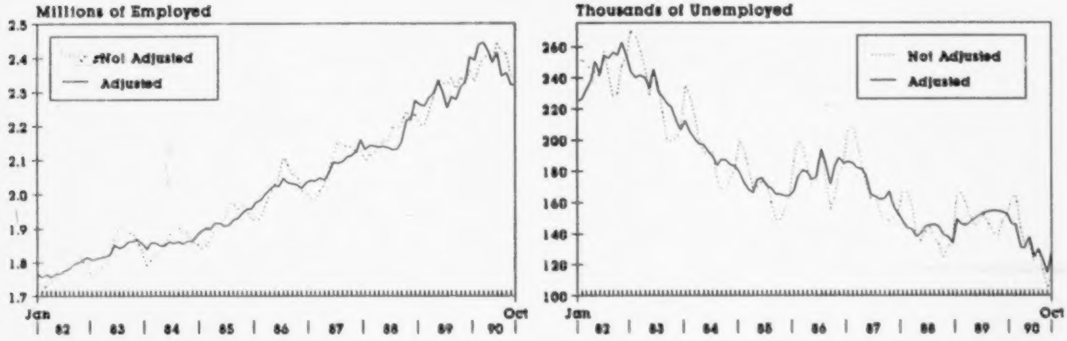
Joblessness in Washington's metropolitan areas inched higher by three-tenths of a percentage point in October to 4.3 percent of the civilian workforce. The pattern was out of line with normal seasonal expectations, especially in the Seattle and Tacoma PMSAs. An easing in retailing and construction was most pronounced in those locations. Both Vancouver and Olympia mounted over the month by better than half a percentage point to 5.2 percent and 5.0 percent unemployed, respectively. Passing of the farm peak, moreover, lowered activity in Yakima and the Tri-Cities. The Franklin County portion of the Tri-Cities shifted from a low of 7.9 percent to 8.2 percent, while Yakima jumped from 5.7 percent to 7.2 percent. All registered sizably below a year ago.

Balance Of State Shifts With The Seasons

Typical seasonal pattern in October impacted the rest of the state. The agricultural and timber-dependent economies geared down with a shift of seasons. Overall unemployment in eastern Washington heightened from 5.2 percent to 5.9 percent over the month – about on par with the normal monthly increment. Some of the larger swings took place in Okanogan (from 6.7 percent to 7.3 percent), Grant (from 5.5 percent to 6.7 percent), and Walla Walla counties (from 4.0 percent to 5.0 percent). The wood products-dependent areas of western

Washington, meanwhile, showed a jobless hike from 6.2 percent to 7.2 percent in October. Despite slackening in lumber and wood products operations over the past 12 months, the year earlier figure registered slightly higher at 8.0 percent.

Washington State Total Resident Employment and Unemployment
January 1982 - October 1990



Source: Employment Security Department

INDUSTRY NOTES

Same Players ... New Name

National Semiconductor sold its Puyallup high-tech manufacturing plant to Matsushita Electric for $86 million. The Japanese-based Matsushita makes Panasonic and Quasar electronic products with U.S. subsidies headquartered in Secaucus, New Jersey. Transfer will ensure retention of 550 jobs currently at the plant, but not rehiring of 300 laid off earlier this year. Production will be shifted from semiconductor chips to DRAMSs and MOS logic components.

In another change of ownership, Seattle Steel has been acquired by Birmingham Steel for $54 million. Employment averaged roughly 600. Current holdings of the local subsidiary, Salmon Bay Steel, include a melt shop in Kent and a steel rolling mill in Seattle with 275 workers. Plans call for closing the Kent operation and consolidating that function with the West Seattle plant, thereby eliminating roughly 200 jobs. Birmingham is known in the industry as a low-cost steel producer with a strong hold on the bottom line.

Weyerhaeuser Moves On The Spotted Owl

The Weyerhaeuser Company, largest private owner of softwood timberland in the world, has announced it will no longer export raw logs from the State of Oregon. The decision, effective February 20, will provide an additional 50 million board feet of timber to area mills at a time when millions of acres of federal land are to be placed off limits to protect habitat of the northern spotted owl. Changes to federal law currently prohibit log exports from both federal and state lands with the exception of a 25 percent allocation from Washington state lands. Export restrictions are expected to retain more than 600 million board feet of timber a year presently shipped overseas for processing.

Getting The Lead Out

Equinox Resources Ltd. will become the first lead-zinc producer in Washington State in 13 years. The Canadian-based firm has recently purchased the Van Stone mine and facilities in Stevens County for a fraction of the total investment of recent owners. Mining at the site is expected to start in February, reaching full production of 1,100 tons of ore a day by mid-May. Known reserves should allow operations through 1997. Employment will total 65 workers in an area hard hit by the downturn in timber.

NATIONAL INDICATORS

Squeeze Me And I Don't Shop

Consumer spending hit a plateau in October. Clearly, the consumer, which had been the driving force behind eight years of economic expansion, has run out of steam. Personal consumption expenditures were unchanged from September at a seasonally adjusted rate of $3.73 trillion. When adjusted for inflation, spending actually dropped by 0.7 percent after a 0.2 percent increase a month before. Meanwhile, the wherewithal to continue spending fell. Personal income growth measured only 0.1 percent in October; disposable income dropped 0.5 percent following declines of 0.4 percent in each of the previous two months.

This Old House Is Fine

As a further sign of consumer sentiment, homebuilding plunged 6 percent in October to the lowest level since the 1981-82 recession. Starts of new homes and apartments fell to a seasonally adjusted annual rate of 1.04 million units – the lowest since 902,000 in June 1982. The nine-month slide now measures the longest since the Commerce Department began keeping records in 1959. Construction of single-family homes dropped 1 percent to 854,000 units; multi-family units plummeted 23 percent to 187,000 units after a 17 percent drop in September.

At the same time, existing home sales registered the lowest in six years. The National Association of Realtors reported resales fell 4.7 percent in October to a seasonally adjusted 3.02 million units in October – the lightest since February 1985. Mortgage rates were stable over the month, ranging between 10.08 and 10.17 percent for a 30-year conventional fixed rate contract. Sales in the West were off an even heavier 5.8 percent to 490,000 units, but the median selling price inched higher by 4.4 percent to $140,600.

Call It Like It Is

There's some comfort in the fact that the government's economic forecasting gauge is now signaling a recession that everyone feels has already arrived. The Commerce Department's index of leading indicators plunged 1.2 percent in October, thereby extending to four months a downturn which began this summer. The rule of thumb is three straight declines to signal a turning point six to nine months hence. This time around, however, even the Federal Reserve Chief, Alan Greenspan, is using the "R" word to describe the present state of the economy. The latest statistics should remove all doubt.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Oct 90 133.5	Sep 90 132.7	Oct 89 125.6	Sep 90 0.6%	Oct 89 6.3%
Seattle†	Jan-Jun 1990 124.2	Jan-Jun 1989 116.7		Jan-Jun 1989 6.4%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Labor Market and Economic Analysis Branch

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

(In Thousands) (Not Seasonally Adjusted)

Industry	Oct 1990 (Prel)	Sep 1990 (Rev)	Oct 1989 (Rev)	Sep 1989 (Rev)	Numeric Change Sep 1990 to Oct 1990	Numeric Change Oct 1989 to Oct 1990
TOTAL NONAG. WAGE AND SALARY	2,177.9	2,172.6	2,100.1	2,090.0	5.3	77.8
MANUFACTURING	366.3	369.5	371.7	372.8	-3.2	-5.4
Durable Goods	257.5	258.7	262.7	263.1	-1.2	-5.2
Lumber & Wood Products	40.1[2]	40.9[2]	41.4	42.0	-0.8	-1.3
Furniture & Fixtures	4.4	4.4	4.0	4.0	0.0	0.4
Stone, Clay & Glass	7.5	7.8	7.6	7.8	-0.3	-0.1
Primary Metals	12.7	12.8	13.2	13.5	-0.1	-0.5
Aluminum	8.8	8.9	9.0	9.2	-0.1	-0.2
Fabricated Metals	12.5	12.5	12.3	12.4	0.0	0.2
Industrial Machinery & Equipment	19.7	19.7	19.2	19.2	0.0	0.5
Electronic & Other Elect. Equipment	12.3	12.1	12.0	11.8	0.2	0.3
Transportation Equipment	127.8	127.9	132.0	131.3	-0.1	-4.2
Aircraft and Parts	113.3	113.1	115.7[3]	115.4	0.2	-2.4
Instruments & Related	14.3	14.4	14.9	15.0	-0.1	-0.6
Miscellaneous Manufacturing	6.2	6.2	6.1	6.1	0.0	0.1
Nondurable Goods	108.8	110.8	109.0	109.7	-2.0	-0.2
Food & Kindred Products	39.1	40.6	39.7	40.0	-1.5	-0.6
Preserved Fruits & Vegetables	15.0	16.5	16.6	16.8	-1.5	-1.6
Textiles, Apparel & Leather	7.7	7.8	8.1	8.1	-0.1	-0.4
Paper & Allied Products	18.2	18.6	18.3	18.7	-0.4	-0.1
Printing & Publishing	22.3	22.2	22.2	22.2	0.1	0.1
Chemicals & Allied Products	13.2	13.2	12.5	12.4	0.0	0.7
Petroleum, Coal, Plastics	8.3	8.4	8.2	8.3	-0.1	0.1
MINING & QUARRYING	4.1	4.1	3.7	3.7	0.0	0.4
CONSTRUCTION	126.1	128.2	115.8	116.8	-2.1	10.3
TRANSPORTATION, COMM., & UTIL	114.6	115.4	111.1	111.2	-0.8	3.5
WHOLESALE & RETAIL TRADE	534.7	539.5	511.2	512.4	-4.8	23.5
Wholesale Trade	134.7[2]	136.0[2]	129.0	129.6	-1.3	5.7
Retail Trade	400.0	403.5	382.2	382.8	-3.5	17.8
General Merchandise	38.4	38.6	39.9	39.1	-0.2	-1.5
Food Stores	68.7	68.4	63.9[2]	63.6[2]	0.3	4.8
Eating & Drinking	144.5	148.2	135.1	137.9	-3.7	9.4
FINANCE, INS., & REAL ESTATE	117.8	118.2	113.9	114.3	-0.4	3.9
Finance	53.2	53.4	51.7	51.8	-0.2	1.5
SERVICES	512.5	512.3	485.1	483.7	0.2	27.4
Hotels & Lodging	27.3	27.9	26.2	26.2	-0.6	1.1
Business Services	85.7	85.0	79.9	79.0	0.7	5.8
Health Services	152.5	152.0	142.7	142.3	0.5	9.8
Hospitals	50.2	50.0	47.2[2]	47.1[2]	0.2	3.0
GOVERNMENT	401.8	385.4	387.5	374.9	16.4	14.3
Federal	73.9	74.5	72.5	73.1	-0.6	1.4
State	120.4	111.1	114.6	106.5	9.3	5.8
State Education	63.0	52.6	61.3	51.6	10.4	1.7
Local	207.5	199.8	200.4	195.3	7.7	7.1
Local Education	108.6	98.8[2]	106.4	98.1	9.8	2.2
LABOR-MANAGEMENT DISPUTES	0.3	0.8	0.0	0.0	-0.5	0.3

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management dispute.

[3] Labor dispute in aircraft affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period which included the 12th of the month.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 12/5/90
Benchmark: 1989

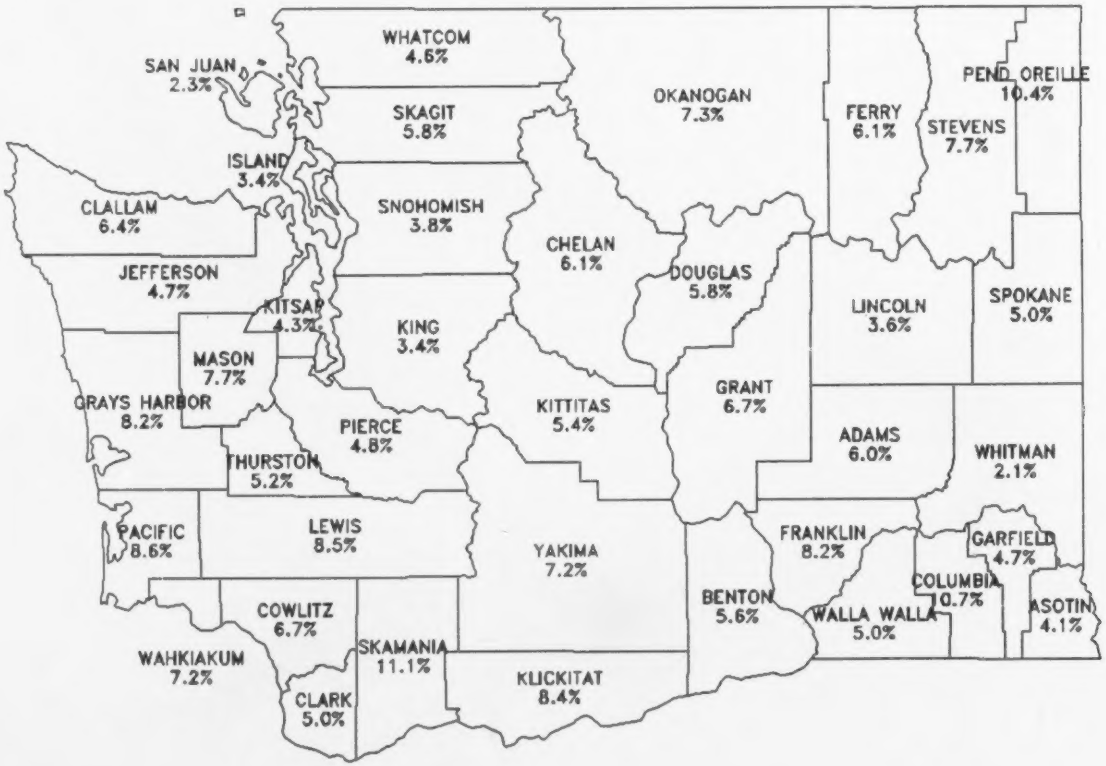
Not Seasonally Adjusted

	October 1990 Preliminary†				September 1990 Revised†				October 1989 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,464,000	2,350,600	113,400	4.6	2,455,400	2,350,700	104,700	4.3	2,482,600	2,345,100	137,500	5.5
Bellingham MSA	67,300	64,200	3,100	4.6	65,500	62,700	2,800	4.3	66,400	62,500	3,900	5.9
Bremerton MSA	79,800	76,400	3,400	4.3	79,500	76,200	3,300	4.2	81,000	76,700	4,300	5.3
Olympia MSA	82,000	77,700	4,300	5.2	81,400	77,800	3,600	4.4	79,800	75,000	4,800	6.0
Seattle PMSA	1,106,700	1,067,900	38,800	3.5	1,097,300	1,059,600	37,700	3.4	1,114,400	1,066,600	47,800	4.3
King County‡	873,700	843,700	30,000	3.4	866,300	837,200	29,100	3.4	880,000	842,700	37,300	4.2
Snohomish County‡	233,000	224,200	8,800	3.8	231,000	222,400	8,600	3.7	234,400	223,900	10,500	4.5
Spokane MSA	168,400	160,000	8,400	5.0	166,300	158,200	8,100	4.9	172,700	161,900	10,800	6.3
Tacoma PMSA	251,300	239,300	12,000	4.8	250,800	239,100	11,700	4.7	254,200	239,000	15,200	6.0
Tri-Cities MSA	71,500	67,100	4,400	6.2	73,900	69,800	4,100	5.5	71,200	65,700	5,500	7.7
Benton County‡	55,600	52,500	3,100	5.6	57,400	54,600	2,800	4.9	55,600	51,400	4,200	7.6
Franklin County‡	15,900	14,600	1,300	8.2	16,500	15,200	1,300	7.9	15,600	14,300	1,300	8.3
Vancouver PMSA	126,000	119,700	6,300	5.0	124,400	119,100	5,300	4.3	126,200	119,500	6,700	5.3
Yakima MSA	101,200	93,900	7,300	7.2	103,000	97,100	5,900	5.7	103,400	93,900	9,500	9.2
Adams	7,140	6,710	430	6.0	7,510	7,100	410	5.5	7,100	6,620	480	6.8
Asotin	9,590	9,200	390	4.1	9,250	8,960	290	3.1	9,330	8,880	450	4.8
Clallam	24,050	22,520	1,530	6.4	24,380	22,960	1,420	5.8	24,760	22,910	1,850	7.5
Columbia	1,490	1,330	160	10.7	1,500	1,360	140	9.3	1,550	1,360	190	12.3
Cowlitz	38,140	35,590	2,550	6.7	38,380	35,980	2,400	6.3	38,280	35,170	3,110	8.1
Ferry	3,120	2,930	190	6.1	3,180	2,970	210	6.6	3,130	2,830	300	9.6
Garfield	1,060	1,010	50	4.7	1,030	1,000	30	2.9	1,030	1,000	30	2.9
Grant	26,440	24,680	1,760	6.7	28,250	26,710	1,540	5.5	27,510	25,360	2,150	7.8
Grays Harbor	27,040	24,820	2,220	8.2	26,730	24,740	1,990	7.4	27,500	24,830	2,670	9.7
Island	21,790	21,060	730	3.4	21,810	21,120	690	3.2	21,630	20,500	1,130	5.2
Jefferson	8,870	8,450	420	4.7	9,230	8,870	360	3.9	8,640	8,150	490	5.7
Kittitas	12,510	11,840	670	5.4	12,520	11,880	640	5.1	12,190	11,400	790	6.5
Klickitat	8,060	7,380	680	8.4	8,340	7,690	650	7.8	8,140	7,430	710	8.7
Lewis	25,380	23,220	2,160	8.5	24,360	22,950	1,410	5.8	25,810	23,800	2,010	7.8
Lincoln	4,170	4,020	150	3.6	4,270	4,100	170	4.0	4,200	4,030	170	4.0
Mason	13,970	12,890	1,080	7.7	13,760	13,000	760	5.5	13,740	12,780	960	7.0
Okanogan	17,590	16,310	1,280	7.3	18,520	17,280	1,240	6.7	20,360	18,830	1,530	7.5
Pacific	7,770	7,100	670	8.6	7,410	6,900	510	6.9	7,530	6,860	670	8.9
Pend Oreille	3,090	2,770	320	10.4	3,140	2,810	330	10.5	3,440	3,010	430	12.5
San Juan	5,760	5,630	130	2.3	6,590	6,480	110	1.7	5,390	5,190	200	3.7
Skagit	39,320	37,020	2,300	5.8	40,260	38,190	2,070	5.1	37,680	34,890	2,790	7.4
Skamania	2,070	1,840	230	11.1	2,020	1,810	210	10.4	2,160	1,880	280	13.0
Stevens	11,750	10,850	900	7.7	11,870	11,040	830	7.0	11,930	11,000	930	7.8
Wahkiakum	1,250	1,160	90	7.2	1,250	1,150	100	8.0	1,310	1,220	90	6.9
Walla Walla	24,400	23,170	1,230	5.0	24,420	23,440	980	4.0	24,320	23,070	1,250	5.1
Wenatchee Labor Area	44,050	41,410	2,640	6.0	43,490	41,110	2,380	5.5	44,370	41,430	2,940	6.6
Chelan County‡	29,220	27,450	1,770	6.1	28,830	27,250	1,580	5.5	29,520	27,470	2,050	6.9
Douglas County‡	14,820	13,960	860	5.8	14,660	13,860	800	5.5	14,860	13,970	890	6.0
Whitman	19,810	19,400	410	2.1	19,880	19,530	350	1.8	20,310	19,950	360	1.8

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

OCTOBER 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 4.6%


WHATCOM 4.6%
SAN JUAN 2.3%
SKAGIT 5.8%
ISLAND 3.4%
CLALLAM 6.4%
SNOHOMISH 3.8%
OKANOGAN 7.3%
FERRY 6.1%
STEVENS 7.7%
PEND OREILLE 10.4%
CHELAN 6.1%
DOUGLAS 5.8%
JEFFERSON 4.7%
KITSAP 4.3%
KING 3.4%
LINCOLN 3.6%
SPOKANE 5.0%
MASON 7.7%
GRAYS HARBOR 8.2%
GRANT 6.7%
KITTITAS 5.4%
PIERCE 4.8%
ADAMS 6.0%
WHITMAN 2.1%
THURSTON 5.2%
LEWIS 8.5%
PACIFIC 8.6%
YAKIMA 7.2%
FRANKLIN 8.2%
GARFIELD 4.7%
COLUMBIA 10.7%
BENTON 5.6%
WALLA WALLA 5.0%
ASOTIN 4.1%
COWLITZ 6.7%
WAHKIAKUM 7.2%
SKAMANIA 11.1%
KLICKITAT 8.4%
CLARK 5.0%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary October Production Workers & Nonsusupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Oct 90	Sep 90	Oct 89	Oct 90	Sep 90	Oct 89	Oct 90	Sep 90	Oct 89
TOTAL MANUFACTURING INDUSTRIES[1]	216,477	$522.05	$519.54	$408.42	40.5	40.4	34.7	$12.89	$12.86	$11.77
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,286	$462.92	$458.05	$474.46	40.5	39.9	42.4	$11.43	$11.48	$11.19
Primary Metal Industries	10,173	$562.88	$562.22	$527.07	42.1	42.4	41.6	$13.37	$13.26	$12.67
Fabricated Metal Products	9,971	$489.95	$519.70	$472.28	41.0	43.2	40.4	$11.95	$12.03	$11.69
Machinery	20,192	$424.12	$423.62	$403.97	39.6	38.9	39.8	$10.71	$10.89	$10.15
Food and Kindred Products	28,507	$368.16	$384.69	$368.52	39.0	39.7	40.1	$9.44	$9.69	$9.19
Chemical and Allied Products	4,667	$693.16	$708.99	$634.26	43.0	43.9	41.7	$16.12	$16.15	$15.21
Transportation Equipment	57,221	$672.15	$657.60	$293.32	42.3	42.1	20.7	$15.89	$15.62	$14.17
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	96,348	$658.85	$672.61	$629.37	37.8	38.7	37.8	$17.43	$17.38	$16.65
Wholesale and Retail Trade (Includes eating and drinking establishments)	474,404	$284.90	$299.70	$276.48	30.9	32.4	31.1	$9.22	$9.25	$8.89

[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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Washington LABOR MARKET

JOB SERVICE

Washington State
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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

December 1990

Highlights

Stormy Conditions For The Weather And The Economy

November was anything but your typical blustery fall month. Severe weather conditions lashed western Washington causing flooding and storm damage estimated in the millions of dollars. While the weather was foremost on most minds, the economic barometer was also a cause for concern. Tensions in the Persian Gulf pushed oil prices to over $35 a barrel, threatening to drag an already sluggish national economy into a protracted recession.

The local economy to date has felt little of the slowdown being experienced in the northeast and the central Atlantic states. While the major economic indicators for Washington have indeed eased from the exuberant pace of 1988-89, the overall growth rate continues to be positive. And, the month of November was not out of the ordinary.

Volume 14, Number 12

LABOR FORCE AND UNEMPLOYMENT

The normal pattern for November is for the resident labor force and employment to pull back, unemployment to rise, and the unemployment rate to jump. Such was the case this year. However, even though the rate of unemployment rose from 4.7 percent in October to 5.2 percent in November, it still stood well below that of the nation at 5.8 percent and the prior-year average of 6.0 percent.

Historically, the jobless rate in Washington usually tracks above the national average. The reason is that this state's economy has a higher concentration of seasonal industries, such as agriculture, food processing, and forest products. Washington also has a higher concentration of cyclical industries, those sensitive to broad-based swings in economic activity. As a result, at any given time there is a greater possibility of workers being jobless than at the national level.

Fortunately for Washington, the cyclical pressures influencing other parts of the nation have been less obtrusive locally. Yet this is no cause for smugness. Washington's economy tends to lag the nation as a whole. In addition, it could very well be that the Washington economy will be somewhat insulated from these cyclical pressures this time around. The Boeing situation is very strong and should remain so; air carriers have little choice but to replace their aging fleets. But the word from the pundits is, *"Don't bet the farm."*

Resident Civilian Labor Force

Employment and Unemployment in Washington State

	Nov 1990 *Preliminary*	**Oct 1990** *Revised*	**Nov 1989**
Resident Civilian Labor Force	2,461,700	2,465,500	2,473,000
Employment	2,332,900	2,350,700	2,325,400
Unemployment	128,800	114,800	147,600
Unemployment Rate	5.2%	4.7%	6.0%
National Unemployment Rate	5.8%	5.4%	5.2%

Data in this table are not seasonally adjusted.
Sources: Employment Security Department;
U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Wage and salary employment reported very modest positive movement between October and November—a mere 600 jobs. In 1989, the state boasted a gain of 3,700 jobs in the same period. In 1988, the gain was an even more impressive 11,800 jobs. It is more than obvious that the state has shifted to a lower growth plane.

The November period actually held some pleasant surprises. At this time last year, many were bracing for the layoffs announced by The Boeing Company. This November, however, employment in the aerospace sector increased by 700. While November employment was 2,000 workers below the same period of a year ago, it was much less of than the 6,000 downturn which had been forecast.

There are still questions about the viability of some military contracts. The B-2 question is still up in the air as is the new tactical fighter. The troubled A-12 program at a Boeing competitor may actually work to Boeing's advantage. On the other hand, the larger commercial base, which occupies upwards of three quarters of Boeing's operations, remains intact with a backlog extending beyond 1995.

Waiting For The Ax To Fall

Lumber and wood products manufacturers employed 1,200 fewer workers in November. It is difficult to discern whether this resulted from the impact of the spotted owl or declining housing demand. Most likely it was the latter.

The U.S. Forest Service plans to protect the spotted owl were put into effect on October 1, 1990. Throughout the winter months it will be difficult to distinguish between those workers terminated due to usual seasonal downturns, the cyclical decline in home building, or the loss of timber supply from spotted owl protection measures. It probably will not be until the spring of 1991, when there would normally be a surge in lumber activity, that we will know the full impact of the spotted owl plans.

Food Processing Functions Finish In The Fall

Employment at food and kindred products manufacturers scaled back by 1,600 in November. Employment in this industry usually reaches its peak in September, in conjunction with the apple harvest, and its low-point in January, in conjunction with the dead of winter. The dead of winter may be earlier this year.

Instruments Noteworthy

Job prospects in instruments and related products dimmed over the month. Layoffs pulled employment down by 300. As of November, total payrolls were running 900 below year-earlier levels. The industry, throughout the seven-year expansion to 1989, had added employment at a rate more than twice that of the total economy. Current adjustments appear to be temporary and relatively confined.

A Million Gallons Here, A Million Gallons There, and Soon You're Talking About Real Water

Despite the November drop in construction employment, payrolls continue to hold at record levels. The total number of wage and salary construction jobs in November 1990 was still 9,900 or 9 percent above the like month in 1989.

The month-to-month movement appeared to impact each industry group – general building, heavy construction, and special trades contractors. Heavy construction, though, experienced the largest absolute and percent job decline. Whether this cut-back was entirely weather-related is not clear. Nonetheless, the western Washington region was beset with severe weather conditions in November, curtailing many out-doors activities and resulting in several large projects being put on hold.

One project, in particular, will be more difficult to complete as a result of the weather. High winds and heavy rains were factors in the sinking of the old I-90 floating bridge. The renovation project was to be completed as an adjunct to the new I-90 bridge. Now it is uncertain what the status, let alone the timing, of that phase will be.

Trade Playing It Safe?

With all the talk of recession, one would expect retailers to be cautious this recent holiday season. Retail activity usually begins building in November. Over the last three years, an average of 5,700 additional staff were hired between October and November. Taking into account the 600 food store workers involved in a labor management dispute, 5,400 workers were added this past November. Many retailers had the usual high volumes of holiday foot-traffic and therefore needed the additional sales staff. The question now is whether sales matched the level of activity or merely more shoppers buying less.

Business Services

Business services (-500) took a step backward in November. The majority of the change was in personnel supply firms. This seems to be a typical pattern for these establishments. Last year, business services employment fell a like amount in the October-November period.

The third quarter is the high point for activity in this industry when demand for temporary summer replacements is at its zenith. In contrast, the last quarter of the year is a slow period. Fewer workers plan vacations in the fall and winter months and most businesses are fully staffed.

Business services overall is still in a growth mode. Despite the October-to-November downturn, the over-the-year gain measured 5.9 percent. In comparison, total wage and salary growth averaged 3.5 percent.

Health Shows Signs Of Life

Health services continued to track well above the norm, adding another 500 workers to its payrolls in November. Demand for health-care is obviously unquenchable. Growth of health-care jobs over the prior 12 months has been double that of total wage and salary employment. And most of that growth has come not at hospitals but at clinics and specialized health care facilities.

Education Catching Up With Students

State and local education continued its usual fall build-up in November. Additional non-certified staff totalled 1,000. Typically, November marks the high for the year in education with 175,800 recorded in the latest month. The increase over-the-year measured 3,600 or 2 percent.

AREA TRENDS

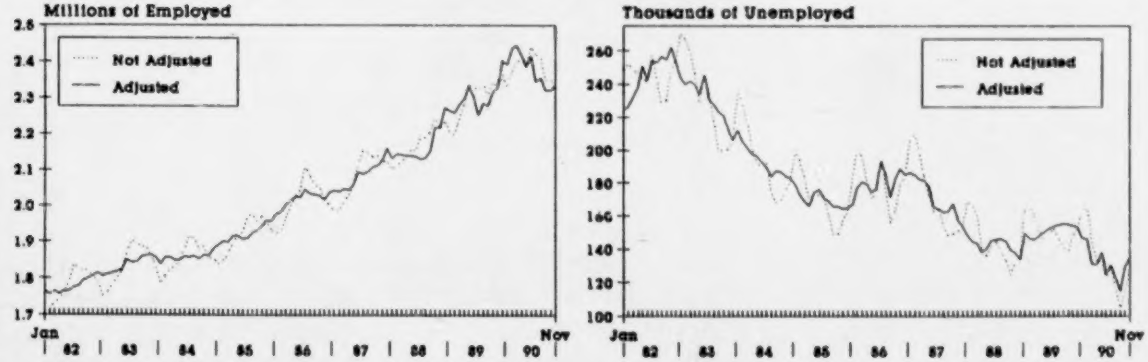
The majority of Washington's labor markets reported higher unemployment between October and November. Only King, Clark, Lewis, and Mason counties improved over the month. The latter primarily reflects Christmas tree harvesting in the Shelton area.

The last three months of the year are normally characterized by wide swings in employment at the county level. Agricultural labor markets, in general, show large jumps in unemployment rates as farm activity moves to wintertime lows. The Tri-Cities and Yakima, the two agriculturally-dependent metropolitan areas of the state, recorded increases in November of 2.1 and 4.6 percentage points, respectively. Both rates, however, were lower than a year before.

The greatest relative increases in unemployment over the month were registered east of the mountains. Eastern Washington's unemployment rate rose two full percentage points on average, from 5.9 percent to 7.9 percent. Western Washington, buoyed by the still strong Seattle economy, experienced a much less severe jump of two-tenths of a percentage point to 4.5 percent.

Areas dependent on the logging and lumber industry fared poorly in November. Their 8.7 percent average unemployment rate was nearly double that of western Washington.

Washington State Total Resident Employment and Unemployment
January 1982 - November 1990



Source: Employment Security Department

INDUSTRY NOTES

Labor Issues Facing The Legislature

The upcoming 52nd session of the Washington State legislature faces a number of key labor issues affecting a wide range of constituents. Briefly, these include the following:

- *Aid to Timber Workers*. The Legislature will consider ways to provide aid to dislocated timber workers beyond that already provided in federal legislation.
- *Employment Standards Enforcement*. The Legislature will consider more actively enforcing standards and applying stiffer fines and penalties, especially in cases of child labor.
- *Family Leave*. The Legislature may broaden the scope and coverage of existing family leave laws to include greater numbers of workers and greater circumstances.
- *Mandatory Overtime*. The Legislature may regulate hours and pay for mandatory overtime, an issue prompted by the Boeing machinists' strike.
- *Minimum Wage*. The Legislature will hear recommendations for raising the state minimum wage by either a fixed sum or a percentage of the statewide average manufacturing wage.
- *Prevailing wage*. The Legislature will decide whether prevailing wage applies to both on-site and off-site projects, what qualifies as a public works project under the law, and whether there should even be a prevailing wage statute.
- *Age Discrimination*. The Legislature will update existing laws, most likely extending coverage to 70 years and over.
- *Workers Compensation/Vocational Rehabilitation*. The Legislature will consider reforming existing programs affecting injured workers.

Boeing Bags A Billion Bucks

Who says 1990 was a lousy year. At the end of September, The Boeing Company had already earned $1.07 billion in profits for the 1990 calendar year. In distinct contrast to the burgeoning commercial aircraft side, the military operations division will undoubtedly report a loss for the year. Despite the military losses, total profits for the aircraft giant are still expected to surpass $1 billion. At the end of September, the backlog for Boeing aircraft stood at $86 billion.

Kent Firm Really Boring

The Robbins Company of Kent has been involved in an immense and historic project – the Channel Tunnel connecting England and France. The 5 boring machines, or moles, used on the project were built by the Robbins Co. at a cost of $80 million. The machines simultaneously dig, remove rock, and put up tunnel walls. The project is expected to be finished in June of 1993.

Bigger Is Better

The trend towards warehouse/wholesale/membership retail stores took another step forward in November. Costco, the Kirkland based wholesale/retail concern, opened its 66th store at Union Gap. This is only the third Costco outlet in eastern Washington.

NATIONAL INDICATORS

The Big Picture

At the national level, total wage and salary jobs fell 67,000 between October and November. All of that decline was a result of weakness in the goods-producing industries. Mining, manufacturing, and construction payrolls fell 373,000 over the month. The services industries continued to hold their own. As in Washington state, business services scaled back, health services continued to grow, and retailers looked to be cautious.

Is You Is Or Is You Ain't A Recession?

Conventional wisdom tells us that it is a recession when your neighbor is laid-off, and a depression when you are laid-off. In reality there are very specific criteria that must be met before a recession can be officially declared. The National Bureau of Economic Research (the organization designated to make the call) normally points to two consecutive quarters of declining GNP. Third quarter growth in GNP came in at a 1.4 percent annual rate, well above the 0.4 percent pace of the second quarter. Fourth quarter GNP is expected to show a significant decline. If that is the case, given the reading of other economic variables, it is possible for the NBER to declare a recession despite there being only one quarter of GNP decline.

Workers More Productive, OR ELSE !

Growth in worker productivity also proved to be stronger than expected. In the third quarter, productivity rose at a 1.6 percent annual rate. One ingredient missing in the leading indicator series is the movement in the weekly hours of manufacturing workers. It has been noted that employers have been laying off workers more quickly than during other periods of decline. The result would indicate that weekly hours should remain stable and productivity should rise in the fourth quarter.

Paying Through The Pump

The tremendous surge in oil prices has brought about a significant increase in consumer prices. In November, the Consumer Price Index for the nation rose at a 6.3 percent annual rate. The most recent Seattle-Everett-Tacoma index, for the first half of 1990, reported a similar 6.4 percent increase. That pace, however, was a result of the jump in Puget Sound housing prices. Local CPI figures for the second half of 1990 will report the effect of higher oil.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Nov 90 133.8	Oct 90 133.5	Nov 89 125.9	Oct 90 0.2%	Nov 89 6.3%
Seattle†	Jan-Jun 1990 124.2	Jan-Jun 1989 116.7		Jan-Jun 1989 6.4%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Robert W. Baker, Senior Economic Analyst

Labor Market and Economic Analysis Branch

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

(In Thousands) (Not Seasonally Adjusted)

Industry	Nov 1990 (Prel)	Oct 1990 (Rev)	Nov 1989 (Rev)	Oct 1989 (Rev)	Numeric Change Oct 1990 to Nov 1990	Numeric Change Nov 1989 to Nov 1990
TOTAL NONAG. WAGE AND SALARY	2,179.3	2,178.7	2,103.8	2,100.1	0.6	75.5
MANUFACTURING	363.9	366.7	369.4	371.7	-2.8	-5.5
Durable Goods	256.6	257.6	262.9	262.7	-1.0	-6.3
Lumber & Wood Products	38.9	40.1	40.6	41.4	-1.2	-1.7
Furniture & Fixtures	4.4	4.4	4.1	4.0	0.0	0.3
Stone, Clay & Glass	7.4	7.5	7.6	7.6	-0.1	-0.2
Primary Metals	12.7	12.7	13.0	13.2	0.0	-0.3
Aluminum	8.8	8.8	8.8	9.0	0.0	0.0
Fabricated Metals	12.3	12.5	12.2	12.3	-0.2	0.1
Industrial Machinery & Equipment	19.6	19.6	19.2	19.2	0.0	0.4
Electronic & Other Electrical Equip	12.3	12.3	11.9	12.0	0.0	0.4
Transportation Equipment	128.5	127.9	133.2	132.0	0.6	-4.7
Aircraft and Parts	114.2	113.5	116.2[3]	115.7[3]	0.7	-2.0
Instruments & Related	14.0	14.3	14.9	14.9	-0.3	-0.9
Miscellaneous Manufacturing	6.5	6.3	6.2	6.1	0.2	0.3
Nondurable Goods	107.3	109.1	106.5	109.0	-1.8	0.8
Food & Kindred Products	37.8	39.4	37.2	39.7	-1.6	0.6
Preserved Fruits & Vegetables	14.0	15.4	14.0	16.6	-1.4	0.0
Textiles, Apparel & Leather	7.6	7.8	8.1	8.1	-0.2	-0.5
Paper & Allied Products	18.1[2]	18.1[2]	18.3	18.3	0.0	-0.2
Printing & Publishing	22.3	22.3	22.2	22.2	0.0	0.1
Chemicals & Allied Products	13.3	13.2	12.5	12.5	0.1	0.8
Petroleum, Coal, Plastics	8.2	8.3	8.2	8.2	-0.1	0.0
MINING & QUARRYING	3.9	4.0	3.6	3.7	-0.1	0.3
CONSTRUCTION	122.0	125.9	112.1	115.8	-3.9	9.9
TRANSPORTATION, COMM., & UTIL.	114.4	114.6	111.3	111.1	-0.2	3.1
WHOLESALE & RETAIL TRADE	539.0	535.6	516.3	511.2	3.4	22.7
Wholesale Trade	133.4[2]	134.8	128.3	129.0	-1.4	5.1
Retail Trade	405.6	400.8	388.0	382.2	4.8	17.6
General Merchandise	40.6	38.4	42.8	39.9	2.2	-2.2
Food Stores	68.0[2]	68.6	64.5	63.9	-0.6	3.5
Eating & Drinking	145.0	145.2	134.9	135.1	-0.2	10.1
FINANCE, INS., & REAL ESTATE	117.6	117.8	114.0	113.9	-0.2	3.6
Finance	53.3	53.2	51.8	51.7	0.1	1.5
SERVICES	511.5	511.5	485.3	485.1	0.0	26.2
Hotels & Lodging	27.0	27.3	25.9	26.2	-0.3	1.1
Business Services	84.1	84.6	79.4	79.9	-0.5	4.7
Health Services	153.2	152.7	143.1	142.7	0.5	10.1
Hospitals	50.4	50.2	47.4	47.2	0.2	3.0
GOVERNMENT	407.0	402.6	391.7	387.5	4.4	15.3
Federal	73.6	73.9	72.2	72.5	-0.3	1.4
State	120.1	120.2	115.1	114.6	-0.1	5.0
State Education	63.4	63.0	62.5	61.3	0.4	0.9
Local	213.3	208.5	204.4	200.4	4.8	8.9
Local Education	112.4	109.2	109.7	106.4	3.2	2.7
LABOR-MANAGEMENT DISPUTES	0.9	0.3	0.0	0.0	0.6	0.9

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers involved in labor-management disputes.

[3] Labor dispute in aircraft affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period which included the 12th of the month.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 1/3/91
Benchmark: 1989

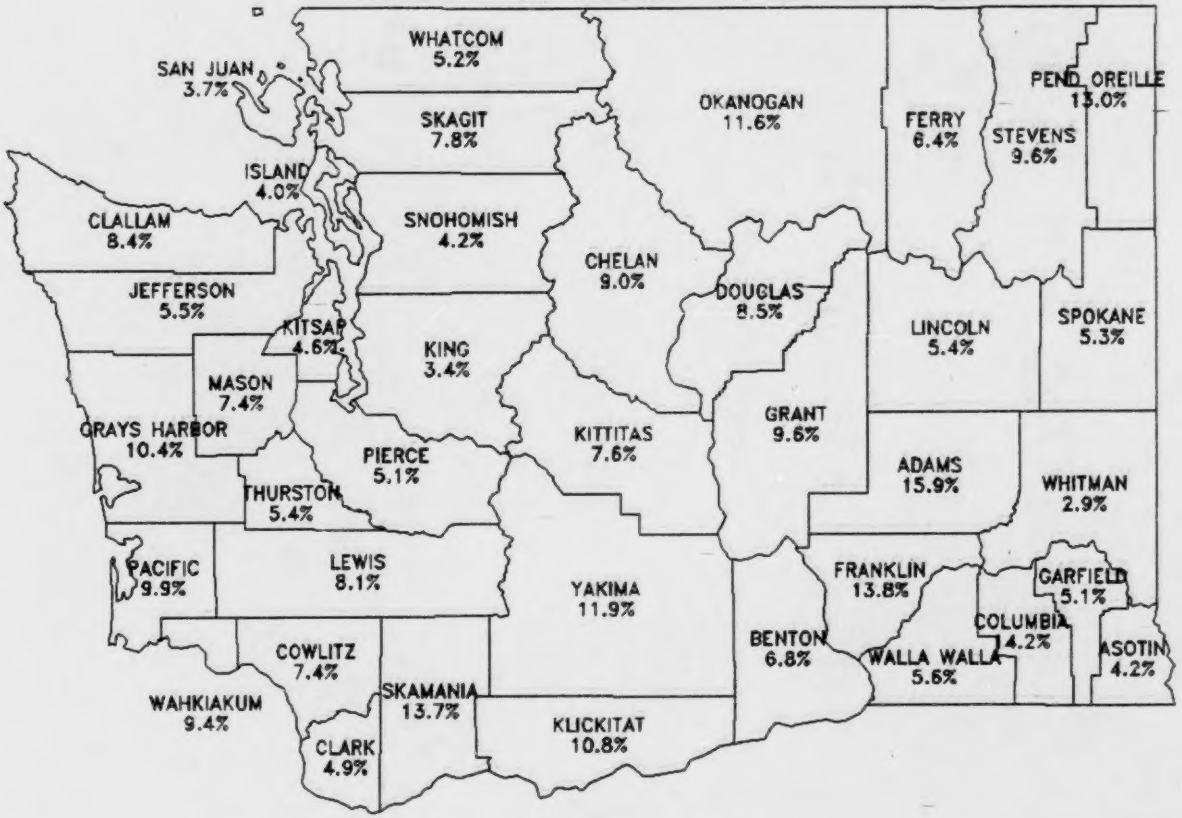
Not Seasonally Adjusted

	November 1990 Preliminary†				October 1990 Revised†				November 1989 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,461,700	2,332,900	128,800	5.2	2,465,500	2,350,700	114,800	4.7	2,473,000	2,325,400	147,600	6.0
Bellingham MSA	67,700	64,200	3,500	5.2	67,300	64,200	3,100	4.6	66,700	62,700	4,000	6.0
Bremerton MSA	80,400	76,700	3,700	4.6	80,000	76,500	3,500	4.4	81,600	77,400	4,200	5.1
Olympia MSA	83,300	78,800	4,500	5.4	81,300	76,900	4,400	5.4	81,800	76,600	5,200	6.4
Seattle PMSA	1,119,600	1,079,200	40,400	3.6	1,106,500	1,067,300	39,200	3.5	1,120,900	1,074,600	46,300	4.1
King County‡	883,100	852,700	30,400	3.4	873,600	843,300	30,300	3.5	885,000	849,000	36,000	4.1
Snohomish County‡	236,500	226,500	10,000	4.2	233,000	224,000	9,000	3.9	235,900	225,600	10,300	4.4
Spokane MSA	171,000	161,900	9,100	5.3	169,400	160,800	8,600	5.1	172,300	161,300	11,000	6.4
Tacoma PMSA	254,400	241,400	13,000	5.1	251,400	239,200	12,200	4.9	257,300	242,500	14,800	5.8
Tri-Cities MSA	68,900	63,100	5,800	8.4	71,400	66,900	4,500	6.3	68,900	62,100	6,800	9.9
Benton County‡	53,000	49,400	3,600	6.8	55,500	52,400	3,100	5.6	53,100	48,600	4,500	8.5
Franklin County‡	15,900	13,700	2,200	13.8	15,900	14,500	1,400	8.8	15,800	13,500	2,300	14.6
Vancouver PMSA	124,900	118,800	6,100	4.9	125,900	119,500	6,400	5.1	126,600	119,400	7,200	5.7
Yakima MSA	93,500	82,400	11,100	11.9	101,800	94,400	7,400	7.3	94,400	81,100	13,300	14.1
Adams	6,350	5,340	1,010	15.9	7,130	6,690	440	6.2	6,360	5,460	900	14.2
Asotin	9,670	9,260	410	4.2	9,730	9,330	400	4.1	9,340	8,840	500	5.4
Clallam	24,060	22,040	2,020	8.4	23,830	22,270	1,560	6.5	25,200	22,850	2,350	9.3
Columbia	1,480	1,270	210	14.2	1,480	1,320	160	10.8	1,590	1,320	270	17.0
Cowlitz	38,290	35,450	2,840	7.4	38,070	35,470	2,600	6.8	38,260	35,020	3,240	8.5
Ferry	3,110	2,910	200	6.4	3,260	3,060	200	6.1	3,180	2,830	350	11.0
Garfield	980	930	50	5.1	1,030	990	40	3.9	1,010	970	40	4.0
Grant	24,450	22,110	2,340	9.6	26,620	24,840	1,780	6.7	25,870	22,920	2,950	11.4
Grays Harbor	26,730	23,950	2,780	10.4	26,940	24,710	2,230	8.3	28,100	24,910	3,190	11.4
Island	21,740	20,870	870	4.0	21,690	20,950	740	3.4	21,520	20,540	980	4.6
Jefferson	8,760	8,280	480	5.5	8,850	8,420	430	4.9	8,670	8,110	560	6.5
Kittitas	12,230	11,300	930	7.6	12,470	11,790	680	5.5	12,160	11,180	980	8.1
Klickitat	7,780	6,940	840	10.8	8,090	7,400	690	8.5	8,010	7,080	930	11.6
Lewis	25,220	23,170	2,050	8.1	25,140	22,990	2,150	8.6	26,200	23,810	2,390	9.1
Lincoln	4,100	3,880	220	5.4	4,150	4,000	150	3.6	4,200	3,950	250	6.0
Mason	13,740	12,720	1,020	7.4	14,780	13,670	1,110	7.5	14,680	13,690	990	6.7
Okanogan	16,090	14,220	1,870	11.6	17,890	16,600	1,290	7.2	16,090	14,170	1,920	11.9
Pacific	7,450	6,710	740	9.9	7,440	6,780	660	8.9	7,860	6,950	910	11.6
Pend Oreille	3,080	2,680	400	13.0	3,090	2,760	330	10.7	3,490	2,970	520	14.9
San Juan	5,450	5,250	200	3.7	5,750	5,610	140	2.4	5,180	4,990	190	3.7
Skagit	39,420	36,340	3,080	7.8	39,400	37,060	2,340	5.9	37,460	34,310	3,150	8.4
Skamania	2,110	1,820	290	13.7	2,060	1,830	230	11.2	2,230	1,880	350	15.7
Stevens	11,740	10,610	1,130	9.6	11,770	10,840	930	7.9	11,950	10,930	1,020	8.5
Wahkiakum	1,280	1,160	120	9.4	1,250	1,160	90	7.2	1,400	1,230	170	12.1
Walla Walla	24,140	22,790	1,350	5.6	24,340	23,100	1,240	5.1	24,250	22,580	1,670	6.9
Wenatchee Labor Area	39,000	35,560	3,440	8.8	44,600	41,930	2,670	6.0	38,170	34,600	3,570	9.4
Chelan County‡	25,900	23,570	2,330	9.0	29,580	27,800	1,780	6.0	25,330	22,940	2,390	9.4
Douglas County‡	13,100	11,980	1,120	8.5	15,010	14,130	880	5.9	12,840	11,660	1,180	9.2
Whitman	19,250	18,690	560	2.9	19,850	19,440	410	2.1	20,280	19,700	580	2.9

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

NOVEMBER 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 5.2%


WHATCOM
5.2%
SAN JUAN
3.7%
SKAGIT
7.8%
OKANOGAN
11.6%
FERRY
6.4%
STEVENS
9.6%
PEND OREILLE
13.0%
ISLAND
4.0%
CLALLAM
8.4%
SNOHOMISH
4.2%
CHELAN
9.0%
JEFFERSON
5.5%
DOUGLAS
8.5%
LINCOLN
5.4%
SPOKANE
5.3%
KITSAP
4.6%
KING
3.4%
MASON
7.4%
GRANT
9.6%
GRAYS HARBOR
10.4%
KITTITAS
7.6%
PIERCE
5.1%
ADAMS
15.9%
WHITMAN
2.9%
THURSTON
5.4%
PACIFIC
9.9%
LEWIS
8.1%
YAKIMA
11.9%
FRANKLIN
13.8%
GARFIELD
5.1%
COLUMBIA
4.2%
BENTON
6.8%
WALLA WALLA
5.6%
ASOTIN
4.2%
COWLITZ
7.4%
WAHKIAKUM
9.4%
SKAMANIA
13.7%
KLICKITAT
10.8%
CLARK
4.9%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary November Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Nov 90	Oct 90	Nov 89	Nov 90	Oct 90	Nov 89	Nov 90	Oct 90	Nov 89
TOTAL MANUFACTURING INDUSTRIES[1]	213,451	$523.64	$522.45	$388.11	39.7	40.5	33.2	$13.19	$12.90	$11.69
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	32,319	$462.50	$465.75	$446.02	38.8	40.5	40.4	$11.92	$11.50	$11.04
Primary Metal Industries	10,122	$574.38	$560.28	$558.58	42.8	42.0	43.1	$13.42	$13.34	$12.96
Fabricated Metal Products	9,937	$490.42	$490.23	$464.94	40.8	41.3	40.5	$12.02	$11.87	$11.48
Machinery	19,789	$428.13	$428.53	$395.41	40.2	39.9	39.7	$10.65	$10.74	$9.96
Food and Kindred Products	27,450	$355.59	$373.18	$348.21	36.1	39.2	36.5	$9.85	$9.52	$9.54
Chemical and Allied Products	4,649	$667.07	$693.16	$647.87	42.3	43.0	42.4	$15.77	$16.12	$15.28
Transportation Equipment	56,757	$678.30	$671.72	$240.13[2]	42.0	42.3	18.5[2]	$16.15	$15.88	$12.98[2]
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	92,943	$634.74	$656.50	$615.76	36.5	37.6	36.5	$17.39	$17.46	$16.87
Wholesale and Retail Trade (Includes eating and drinking establishments)	479,444	$284.90	$285.21	$267.89	30.7	30.9	30.1	$9.28	$9.23	$8.90

[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

[2] Labor dispute in aircraft affecting 42,900 workers from October 4 to November 22.

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Labor Market and
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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

January 1991

Volume 15, Number 1

Highlights

Toward A New Beginning

Washington's economy ended 1990 in fairly typical fashion. Overall business activity eased with the onset of winter, and the buildup for Christmas served as a bright spot in an otherwise lackluster economic month. Severe weather, moreover, lashed the latter part of the period beyond the reporting week of the 12th. Temperatures plummeted to record lows and snow and ice disrupted holiday traffic until the very weekend before Christmas. Caution turned to panic as merchants scrambled to salvage what was left of the holiday buying season. What ensued was essentially a game of "cat and mouse." Sales and product promotions became commonplace causing buyers to put off purchasing until the very last minute in an effort to take advantage of the lowest possible price. If national figures serve as any kind of guide, December sales were probably off but not disastrously.

Part of the saving grace was a high degree of caution coming into the season. Overall indexes of consumer confidence had dropped steadily since the invasion of Kuwait early in August. Employment growth had slowed. Real earnings were being siphoned off by higher costs of gasoline and other petroleum-based products. And uncertainties coming out of the Persian Gulf crisis together with a rolling recession nationally weighed heavily upon long-term investment decisions. The results put the economy on hold.

Normal seasonal patterns, however, continued to play out. Construction and much of the resource-based industries scaled back toward their wintertime lows. Temporary election workers, which had swelled local government employment in November, were no longer a factor come December. Retail trade bounded upward with the onset of holiday shopping. But the latter proved less dynamic than witnessed in recent past years. As a result, total nonfarm employment *dropped* by 6,300 workers over the month rather than *increasing* by 2,000 as has been the case on average for December since 1987.

LABOR FORCE AND UNEMPLOYMENT

The state's jobless rate, accordingly, mounted over the month. The increase from 5.4 percent to 5.7 percent of the workforce contrasted with trends for December in recent past years which had shown virtually no change. The uptick, however, was in line with what could reasonably be expected to occur in an economy shifting to a more restrained overall growth rate. Comparisons remained positive, nonetheless, against the year-earlier and national averages for December at 6.1 percent and 5.9 percent, respectively.

In all likelihood, the low point for unemployment has probably been broached. Progressively higher jobless rates should reasonably be expected from here on out. Additional resources are typically brought into play for a period of time after the peak of the business cycle has passed. In effect, Washington's unemployment rate proceeded to fall through 1990 despite the fact that the economy probably crested in the first quarter. As output per worker falls back in a slower economic setting, pressure on unemployment will likely mount throughout 1991.

Moreover, differences between the "haves" and "have nots" will likely widen. Much of the economic growth over the past eight years was shared at least to varying degrees across the breadth of the state. Only Seattle-Everett achieved what technically might be called a "full employment" economy. But unemployment fell in all counties between 1982 and 1990. Boeing is looked to provide some degree of insulation from the national slowdown within greater Puget Sound. However, aerospace is not a factor outside the immediate four-county area. In addition, timber supply issues are destined to impact a broad reach of forest products-based counties throughout the state in upcoming months.

Resident Civilian Labor Force

Employment and Unemployment in Washington State

	Dec 1990 *Preliminary*	**Nov 1990** *Revised*	**Dec 1989**
Resident Civilian Labor Force	2,537,700	2,465,000	2,516,100
Employment	2,390,500	2,332,900	2,363,600
Unemployment	145,200	132,100	152,500
Unemployment Rate	5.7%	5.4%	6.1%
National Unemployment Rate	5.9%	5.8%	5.1%

Data in this table are not seasonally adjusted.
Sources: Employment Security Department;
U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Wage and salary employment fell in December for the first time in five years. At the center of the downturn was less than recent past seasonal hiring in retail trade. Payroll additions of 3,100 in this highly important sector over the month measured roughly half the number posted on average for December since 1985. The month-to-month movement, however, was not unique. Wholesale and retail trade had eased over several months ever since consumer confidence began waning early in the fall.

An early end to hostilities in the Middle East will do wonders to restore consumer attitude. But in the interim, the Federal Reserve has acted aggressively to stimulate the economy by systematically cutting interest rates. Whether or not this proves effective in the present environment is anybody's guess. Credit growth, naturally, slows during recessions as hard-hit consumers and businesses cut back on borrowing. This time around, however, there is the added pressure to set aside additional capital and reserves in an effort to strengthen the nation's commercial banking system. The combination is making for less liquidity on the administrative side of the equation at the same time the Fed Open Market Committee is pressing for higher loan demand. Unwillingness of banks to lend is unique in postwar history. The result is that it will take more time than usual for the Fed's actions to effectively stimulate the economy and get the recovery moving.

Services Come Up With A Counter Punch

Washington's services sector, meanwhile, countered in December with a 3,000 worker buildup. Amusements and recreation (+ 1,000) loved the early snowfall as activity at ski facilities mounted steadily over the month. Business services inched up 300. Much of the balance of the uptick centered in health services (+ 1,200) which has continued to expand at a brisk rate over the past several years. Clinics and specialized health care facilities have been the big gainers.

Despite some letup in the rest of the economy, services payrolls measured 28,400 or 6 percent above the prior year in December. The year-to-year spread was little changed from that of December a year before when the margin stood at 30,000. Meanwhile, the total economy over the period dropped by a third. Included in the services category is a broad distribution of activities ranging from personal and business services to computer software. In some instances, demand is generated by households; in others, by a combination of business and export activity. Offsetting entries have been the key to continued strong overall performance.

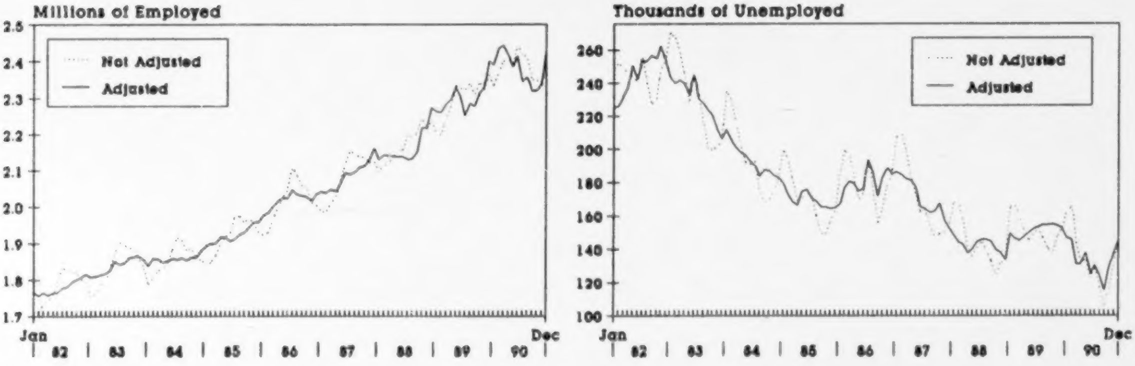
Manufacturing Pulls Back Seasonally

At the same time, manufacturing pulled back by 4,600 – the heaviest loss in industrial payrolls for December since 1984. Declines in food processing (-2,900) and lumber and wood products (-700) appeared fairly typical for the period. Broader impacts arising out of lower national housing starts and other market factors, however, showed up in the 2,200 loss in lumber and wood products jobs over the past 12 months. Yet to be factored into the equation are timber supply constraints coming out of the spotted owl controversy which are expected to cut 6,000 to 7,000 jobs in the industry over the next several years.

In addition, both aerospace (-200) and other transportation equipment manufacturing (-200) retreated marginally over the month. On balance, employment in aircraft manufacturing showed a rather "saucer shaped" pattern in 1990: down in the first half and up marginally in the second half. The net year-end to year-end loss totalled approximately 2,000. Other transportation equipment, including boat building and land vehicles, was off a larger 2,900 over the year.

To a great degree, other manufacturing has held firm. This has provided measurable strength in the key goods-producing sector at a time when manufacturing nationally is dropping sharply. Over the year, payrolls in December were up significantly in machinery (+ 800), food processing (+ 1,000), and chemicals (+ 700).

Washington State Total Resident Employment and Unemployment
January 1982 - December 1990



Source: Employment Security Department

REVIEW AND PROSPECT

Enough about the month-to-month movements. Beginning of the new year provides a golden opportunity to quickly look back over the year past and appraise the outlook for the year ahead. In very real terms, 1990 marked a turning point. Employment over the prior seven years had built at rates not seen since the "Boeing Boom" of the late 1960s. The state entered the 1990s on a high with nonfarm employment building in the first quarter at a 7 percent seasonally adjusted annual rate. By the second quarter, however, the pace had eased to 2.2 percent, and the momentum trailed off thereafter through the balance of the year. At no time did the pace turn negative. But the state now enters 1991 on a much softer footing.

What became a rolling recession nationally to date has only lightly touched the Pacific Northwest economies. Washington specifically has maintained an edge over the national average because of a number built-in stabilizers. Included are Boeing's huge commercial backlog, strong export demand for Washington-based goods and services, fallout from gains already achieved in the goods-producing sectors, and continued very rapid population and income growth. The combination has kept a margin of growth above the national average running better than 2 to 1.

Much of the slowing over the past year centered in manufacturing and, specifically, aerospace and lumber and wood products. Both scaled back from highs coming into 1990. Sheer momentum in aerospace had probably accounted for 30 percent of the state's cumulative growth from 1982 through 1989. As that industry shifted from growth to retrenchment, some of the fire which had ignited the state was removed.

Lumber and wood products pulled back over the course of the year as its principal market – national housing starts – plunged to levels not seen since the 1981-82 recession. In addition, the year was impacted by decisions to limit available timber harvest. The U.S. Fish and Wildlife Service in June 1990 officially listed the spotted owl as threatened, thereby putting into place a series of measures designed to protect old growth habitat. Proposed cutbacks on U.S. Forest Service land alone are expected to cost between 6,000 and 7,000 lumber and wood products workers in the state.

Responding to the strength in capital investment, markets for both machinery and primary metals held firm throughout most of 1990. Aluminum production drifted lower late in the year. But employment in industrial and electronic equipment was up 800 over the year in the fourth quarter. Despite progressive slowing of the national economy, businesses boosted real capital spending on plant and equipment an estimated 5 percent last year.

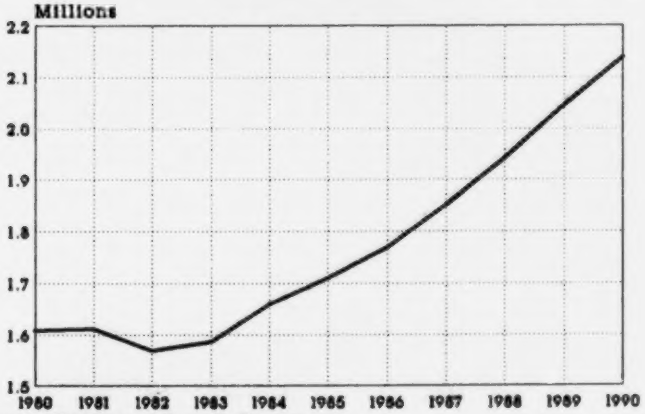
Another encouraging trend was the uptick in chemicals employment owing to the turnabout at Hanford. Environmental restoration work is providing most of the thrust. However, additional work in molecular science and other high technology transfer is adding to the total. Payrolls within the industry, accordingly, climbed 700 over the year after dropping 2,200 in the 15 months to April 1989.

Construction employment in 1990 mounted to an all-time high. Housing eased, but nonresidential building and public works more than made up the difference. Major industrial and commercial projects continue to move to the forefront. The Boeing Company, with expansions underway at Renton and Auburn, announced plans late in 1990 to add 4 million additional square feet at Everett and build two new plants near Tacoma. Entry into Spokane has been completed. Work proceeds on the Navy homeport at Everett. And soon to impact is $2 billion in construction at the state's four petroleum refineries estimated to require 4,000 to 4,500 workers over the next five years.

Services and trade, however, continue to provide the bulk of the state's total job growth. The driving force in both cases is a combination of primary and secondary impacts. Population is expanding rapidly at a pace significantly greater than the national average. Fallout from growth already achieved in the goods-producing sector is boosting demand for business and personnel supply services, two of the fastest growing sectors of the economy. Exports of Washington-based goods and services, including computer software, have been strong. Moreover, that thrust should continue through 1991.

The state outlook assumes a weakening first half with a pickup beginning about mid-year. The Office of the Forecast Council looks to a rather shallow employment dip of something less than 1 percent on a seasonally adjusted annual basis statewide for January through June. And then a gradual heightening leading toward the state's long-range historical average of 2.8 percent by the fourth quarter. Given the prospect that the national recession will be relatively mild and relatively short-lived, these kinds of assumptions for the state make sense.

Wage and Salary Employment
State of Washington
(annual averages in thousands)



Source: Employment Security Department

AREA TRENDS

Urban vs. Rural: A Bigger Trigger

With the economy retracting seasonally into the winter months, joblessness throughout the state heightened in December. The metropolitan areas generally were less affected than the outlying areas owing to the concentration of less sensitive services and trade activities. But on balance, all areas shared the swing. Unemployment in Washington's major urban centers moved from 4.8 percent to 5.1 percent over the month and stood 0.4 percent below a year before. The extremes ranged from a low of 3.9 percent in the Seattle PMSA to a high of 14.1 percent in the Franklin County portion of the Tri-Cities. Tacoma and Spokane hovered near a the statewide average at 5.6 percent and 6.0 percent, respectively.

Both the timber-dependent and agricultural economies contracted sharply in December. Normal pattern would dictate a seasonal low extending well into the first quarter. Accordingly, unemployment mounted in the forest products areas of western Washington from 8.9 percent to 9.5 percent of the workforce over the month. Eastern Washington jumped from 8.1 percent to 8.9 percent. The timber-dependent counties were little changed from a year before, but eastern Washington held lower by nearly a full percentage point.

INDUSTRY NOTES

Boeing Hangs Numbers On The Big Picture

In the face of recession, Boeing scaled back only slightly its long-term world jetliner forecast. The world's largest commercial aircraft manufacturer expects the industry to deliver nearly 9,000 planes valued at roughly $617 billion over the next 15 years. The year ago forecast was higher by 2 percent. Air travel is assumed to climb 5.2 percent per year on average through 2005, more than doubling over the next decade and a half. Comments acknowledged that the airlines are going through some rough times currently. But the long-range fundamentals remain intact. A reversal of the current slide is expected sometime around 1993 with the market then rebounding to levels higher than before. Should the forecast prove out, Boeing stands to be the big winner with an historic market share of 55 percent and the new widebody 777 standing in the wings.

Transportation Equipment Set To Trim It Sales

Slumping heavy truck sales has forced PACCAR to reduce employment at its Seattle area plants. The recession together with higher fuel prices has heavily impacted the trucking industry generally and, in turn, manufacturers who serve that industry. PACCAR's fourth quarter sales were off 16 percent to $679 million from $813 million a year before. About a third of its Seattle workforce was laid off in January and another 120 are expected to be trimmed in the next month to 850 workers.

At the same time, Boeing predicted only minor adjustments to its employment base in 1991. Company officials predicted a 2,000 net job loss for the year as whole – roughly coincident with 1990. Most will come through attrition. On the whole, this is looked to be a relatively stable influence on the 1991 outlook. Boeing's backlog currently exceeds 1,800 planes valued at $100 billion with production scheduled to rise to a record 438 planes this year.

Yo Go Windows

As if anyone into computers needed to be reminded, Microsoft is on a roll. Sales and profits of the Redmond-based software giant jumped more than 50 percent in its second fiscal quarter ending December 31st. Sales topped $460 million. Greater than 50 percent of total revenue came directly from foreign exports with particular strength in European markets. A major boost was provided by phenomenal success of Microsoft's Windows 3.0 program which has sold more than 2 million copies since its introduction in May. Employment is expected to build steadily over the next year.

NATIONAL INDICATORS

Fourth Quarter GNP Flounders

The U.S. economy contracted at a 2 percent annual rate in the final quarter of 1990 – definitive proof that longest expansion in peacetime history has ended. The fall was not as sharp as most government and private analysts had expected based upon a wide variety of supporting evidence. However, the impact of the military buildup and heightened foreign exports were viewed as temporary aberrations. The fourth quarter decline was the biggest since the 1981-82 recession and was attributed to a huge $21 billion falloff in consumer spending. More is expected in the current quarter although not as severe.

Short Recession Say The Pundits

Two consecutive quarters of declining GNP is normally proof enough that the nation has slipped into recession. But an overwhelming majority of the nation's top economists predict that the current setback will be shorter and less severe than average. The past eight recessions since 1945 have averaged 11 months duration with the economy slipping an average of 2.5 percent. The consensus forecast is a drop in GNP of roughly 1 percent over two quarters with an upturn beginning this spring.

And The Tea Leaves Say You're Right

Early signs of improvement are finally starting to appear. The economy is certainly not yet out of the woods. However, the latest release of the Commerce Department's index of leading indicators gave the first hint of a stirring. This major gauge designed to measure economic trends six to nine months away rose slightly by 0.1 percent in December – the first increase since June. Driving the index higher were gains in stock prices, the length of the workweek, and orders for plant and equipment. Still weak were building permits and manufacturers' orders for consumer goods. Clearly, the consumer is the key.

Help In the Pocketbook

If anything will help push the consumer, it's more income. The December gain in personal income was recorded at 0.7 percent – the largest since a similar 0.7 percent in March. Wages and salaries, the key component, jumped $26.8 billion after falling $2.2 billion a month before. Longer hours and higher pay both contributed. For the year as a whole, incomes grew 6 percent in 1990 following a 7.7 percent spurt in 1989. All of the added income was spent, with consumer purchasing up an equal 6 percent over the year. The nation's savings rate remained virtually unchanged at 4.5 percent.

And Help On the Inflation Front

Some easing of inflation is also taking place. Price increases at the producer level have slowed since last summer. And many economists expect inflationary pressures to continue moderating as the economy remains weak. The producer price index declined 0.6 percent in December – the sharpest drop in four years. Both energy and food prices fell precipitously. Excluding these two volatile components, the so-called "core rate" rose a moderate 0.3 percent. Producer prices for all of 1990 were up 5.6 percent – the biggest jump since 1981.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Dec 90	Nov 90	Dec 89	Nov 90	Dec 89
	133.8	133.8	126.1	0.0%	6.1%
Seattle†	Jul-Dec 1990	Jul-Dec 1989		Jul-Dec 1989	
	129.4	119.6		8.2%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist
Labor Market and Economic Analysis Branch

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

(In Thousands) (Not Seasonally Adjusted)

Industry	Dec 1990 (Prel)	Nov 1990 (Rev)	Dec 1989 (Rev)	Nov 1989 (Rev)	Numeric Change	
					Nov 1990 to Dec 1990	Dec 1989 to Dec 1990
TOTAL NONAG. WAGE AND SALARY	2,173.5	2,179.8	2,105.1	2,103.8	-6.3	68.4
MANUFACTURING	359.9	364.5	366.4	369.4	-4.6	-6.5
Durable Goods	255.3	257.2	262.9	262.9	-1.9	-7.6
Lumber & Wood Products	38.5	39.2	40.7	40.6	-0.7	-2.2
Furniture & Fixtures	4.2	4.4	4.2	4.1	-0.2	0.0
Stone, Clay, & Glass	7.3	7.4	7.6	7.6	-0.1	-0.3
Primary Metals	12.5	12.6	12.9	13.0	-0.1	-0.4
Aluminum	8.8	8.8	8.8	8.8	0.0	0.0
Fabricated Metals	12.3	12.3	11.9	12.2	0.0	0.4
Industrial Machinery & Equipment	19.7	19.6	19.2	19.2	0.1	0.5
Electronic & Other Elect. Equipment	12.3	12.3	12.0	11.9	0.0	0.3
Transportation Equipment	128.4	128.8	133.3	133.2	-0.4	-4.9
Aircraft and Parts	114.3	114.5	116.3	116.2[3]	-0.2	-2.0
Instruments & Related	13.7	14.1	14.9	14.9	-0.4	-1.2
Miscellaneous Manufacturing	6.4	6.5	6.2	6.2	-0.1	0.2
Nondurable Goods	104.6	107.3	103.5	106.5	-2.7	1.1
Food & Kindred Products	34.9	37.8	33.9	37.2	-2.9	1.0
Preserved Fruits & Vegetables	11.0	13.8	10.8	14.0	-2.8	0.2
Textiles, Apparel, & Leather	7.7	7.7	8.0	8.1	0.0	-0.3
Paper & Allied Products	18.1[2]	18.1[2]	18.7	18.3	0.0	-0.6
Printing & Publishing	22.4	22.3	22.3	22.2	0.1	0.1
Chemicals & Allied Products	13.3	13.2	12.6	12.5	0.1	0.7
Petroleum, Coal, Plastics	8.2	8.2	8.0	8.2	0.0	0.2
MINING & QUARRYING	3.8	3.9	3.5	3.6	-0.1	0.3
CONSTRUCTION	119.8	123.2	109.1	112.1	-3.4	10.7
TRANSPORT., COMM., & UTILITIES	114.8	115.1	111.9	111.3	-0.3	2.9
WHOLESALE & RETAIL TRADE	541.1	538.0[2]	522.6	516.3	3.1	18.5
Wholesale Trade	132.4	133.1	128.3	128.3	-0.7	4.1
Retail Trade	408.7	404.9	394.3	388.0	3.8	14.4
General Merchandise	42.5	40.9	45.5	42.8	1.6	-3.0
Food Stores	67.7	67.7[2]	65.5	64.5	0.0	2.2
Eating & Drinking	144.5	144.6	134.8	134.9	-0.1	9.7
FINANCE, INS., & REAL ESTATE	117.8	117.8	115.1	114.0	0.0	2.7
Finance	53.1	53.2	52.6	51.8	-0.1	0.5
SERVICES	515.3	512.3	486.9	485.3	3.0	28.4
Hotels & Lodging	26.9	26.9	25.9	25.9	0.0	1.0
Business Services	84.5	84.3	79.6	79.4	0.2	4.9
Health Services	154.3	153.1	144.6	143.1	1.2	9.7
Hospitals	50.8	50.4	47.8	47.4	0.4	3.0
GOVERNMENT	401.0	405.0	389.4	391.7	-4.0	11.6
Federal	73.2	73.4	72.2	72.2	-0.2	1.0
State	118.4	118.9	114.4	115.1	-0.5	4.0
State Education	62.2	63.4	62.0	62.5	-1.2	0.2
Local	209.4	212.7	202.8	204.4	-3.3	6.6
Local Education	111.9	111.9	108.9	109.7	0.0	3.0
LABOR-MANAGEMENT DISPUTES	0.3	0.9	0.0	0.0	-0.6	0.3

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers involved in labor-management dispute.

[3] Labor dispute in aircaft affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period which included the 12th of the month.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 1/31/91
Benchmark: 1989

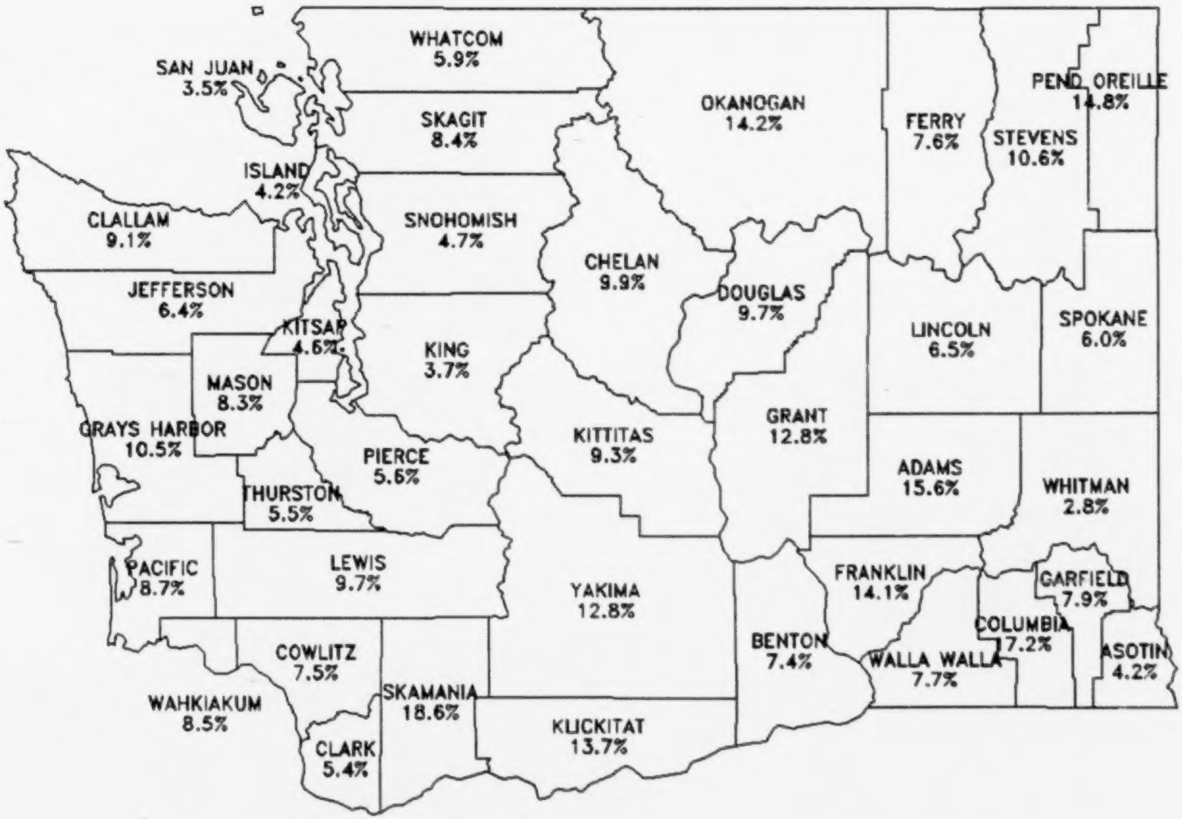
Not Seasonally Adjusted

	December 1990 Preliminary†				November 1990 Revised†				December 1989 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,535,700	2,390,500	145,200	5.7	2,465,000	2,332,900	132,100	5.4	2,516,100	2,363,600	152,500	6.1
Bellingham MSA	69,500	65,400	4,100	5.9	67,900	64,300	3,600	5.3	67,500	63,300	4,200	6.2
Bremerton MSA	82,700	78,900	3,800	4.6	80,400	76,600	3,800	4.7	82,500	78,500	4,000	4.8
Olympia MSA	85,800	81,100	4,700	5.5	83,600	79,000	4,600	5.5	84,500	79,400	5,100	6.0
Seattle PMSA	1,157,800	1,112,200	45,600	3.9	1,119,500	1,078,300	41,200	3.7	1,144,400	1,096,400	48,000	4.2
King County‡	912,800	878,800	34,000	3.7	883,000	851,900	31,100	3.5	902,900	866,300	36,600	4.1
Snohomish County‡	245,100	233,500	11,600	4.7	236,400	226,300	10,100	4.3	241,500	230,100	11,400	4.7
Spokane MSA	177,200	166,500	10,700	6.0	171,500	162,200	9,300	5.4	175,200	163,300	11,900	6.8
Tacoma PMSA	259,700	245,200	14,500	5.6	254,700	241,500	13,200	5.2	261,100	246,600	14,500	5.6
Tri-Cities MSA	70,900	64,500	6,400	9.0	69,000	63,100	5,900	8.6	70,000	63,000	7,000	10.0
Benton County‡	54,400	50,400	4,000	7.4	53,100	49,400	3,700	7.0	53,900	49,300	4,600	8.5
Franklin County‡	16,300	14,000	2,300	14.1	15,900	13,700	2,200	13.8	16,100	13,700	2,400	14.9
Vancouver PMSA	128,800	121,900	6,900	5.4	125,100	118,600	6,500	5.2	128,000	120,700	7,300	5.7
Yakima MSA	94,700	82,600	12,100	12.8	93,800	82,400	11,400	12.2	96,500	82,600	13,900	14.4
Adams	6,340	5,350	990	15.6	6,180	5,340	840	13.6	6,610	5,350	1,260	19.1
Asotin	9,930	9,510	420	4.2	9,670	9,260	410	4.2	9,590	9,070	520	5.4
Clallam	24,570	22,340	2,230	9.1	24,110	22,030	2,080	8.6	24,970	22,780	2,190	8.8
Columbia	1,630	1,350	280	17.2	1,500	1,270	230	15.3	1,610	1,310	300	18.6
Cowlitz	38,890	35,990	2,900	7.5	38,290	35,440	2,850	7.4	39,310	36,090	3,220	8.2
Ferry	3,290	3,040	250	7.6	3,190	2,970	220	6.9	3,260	2,900	360	11.0
Garfield	1,010	930	80	7.9	960	920	40	4.2	1,090	1,000	90	8.3
Grant	25,160	21,930	3,230	12.8	24,800	22,100	2,700	10.9	24,840	21,910	2,930	11.8
Grays Harbor	28,270	25,300	2,970	10.5	27,150	24,310	2,840	10.5	28,610	25,470	3,140	11.0
Island	22,350	21,420	930	4.2	21,740	20,820	920	4.2	21,870	20,900	970	4.4
Jefferson	9,020	8,440	580	6.4	8,790	8,270	520	5.9	8,800	8,210	590	6.7
Kittitas	12,210	11,080	1,130	9.3	12,260	11,290	970	7.9	11,970	10,840	1,130	9.4
Klickitat	7,890	6,810	1,080	13.7	7,780	6,930	850	10.9	7,970	6,810	1,160	14.6
Lewis	26,220	23,680	2,540	9.7	25,000	22,890	2,110	8.4	27,060	24,600	2,460	9.1
Lincoln	4,290	4,010	280	6.5	4,160	3,920	240	5.8	4,180	3,960	220	5.3
Mason	15,130	13,870	1,260	8.3	14,790	13,710	1,080	7.3	14,530	13,460	1,070	7.4
Okanogan	16,290	13,970	2,320	14.2	16,200	14,210	1,990	12.3	15,860	13,720	2,140	13.5
Pacific	7,470	6,820	650	8.7	7,500	6,720	780	10.4	7,770	6,950	820	10.6
Pend Oreille	3,240	2,760	480	14.8	3,110	2,690	420	13.5	3,390	2,840	550	16.2
San Juan	5,360	5,170	190	3.5	5,450	5,250	200	3.7	5,080	4,860	220	4.3
Skagit	40,160	36,790	3,370	8.4	39,520	36,380	3,140	7.9	37,440	34,260	3,180	8.5
Skamania	2,260	1,840	420	18.6	2,120	1,820	300	14.2	2,250	1,850	400	17.8
Stevens	11,840	10,580	1,260	10.6	11,540	10,380	1,160	10.1	12,270	11,120	1,150	9.4
Wahkiakum	1,290	1,180	110	8.5	1,290	1,160	130	10.1	1,370	1,220	150	10.9
Walla Walla	24,660	22,760	1,900	7.7	24,150	22,780	1,370	5.7	24,610	22,680	1,930	7.8
Wenatchee Labor Area	40,290	36,330	3,960	9.8	39,170	35,540	3,630	9.3	39,580	35,570	4,010	10.1
Chelan County‡	26,730	24,090	2,640	9.9	26,020	23,560	2,460	9.5	26,200	23,580	2,620	10.0
Douglas County‡	13,570	12,250	1,320	9.7	13,150	11,980	1,170	8.9	13,380	11,990	1,390	10.4
Whitman	19,670	19,110	560	2.8	19,220	18,670	550	2.9	20,550	20,030	520	2.5

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

DECEMBER 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 5.7%


WHATCOM 5.9%
SAN JUAN 3.5%
SKAGIT 8.4%
OKANOGAN 14.2%
FERRY 7.6%
STEVENS 10.6%
PEND OREILLE 14.8%
ISLAND 4.2%
CLALLAM 9.1%
SNOHOMISH 4.7%
CHELAN 9.9%
DOUGLAS 9.7%
JEFFERSON 6.4%
KITSAP 4.6%
LINCOLN 6.5%
SPOKANE 6.0%
KING 3.7%
MASON 8.3%
GRAYS HARBOR 10.5%
KITTITAS 9.3%
GRANT 12.8%
PIERCE 5.6%
ADAMS 15.6%
WHITMAN 2.8%
THURSTON 5.5%
PACIFIC 8.7%
LEWIS 9.7%
YAKIMA 12.8%
FRANKLIN 14.1%
GARFIELD 7.9%
COLUMBIA 17.2%
BENTON 7.4%
WALLA WALLA 7.7%
ASOTIN 4.2%
COWLITZ 7.5%
WAHKIAKUM 8.5%
SKAMANIA 18.6%
KLICKITAT 13.7%
CLARK 5.4%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary December Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Dec 90	Nov 90	Dec 89	Dec 90	Nov 90	Dec 89	Dec 90	Nov 90	Dec 89
TOTAL MANUFACTURING INDUSTRIES[1]	210,056	$533.57	$520.22	$507.38	40.3	39.5	40.3	$13.24	$13.17	$12.59
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31,650	$457.82	$455.04	$444.44	38.7	37.5	40.7	$11.83	$11.72	$10.92
Primary Metal Industries	9,961	$597.52	$574.38	$560.73	44.0	42.8	43.1	$13.58	$13.42	$13.01
Fabricated Metal Products	9,902	$509.64	$488.81	$486.80	41.3	40.7	40.0	$12.34	$12.01	$12.17
Machinery	20,272	$447.45	$430.66	$404.81	40.9	40.4	40.4	$10.94	$10.66	$10.02
Food and Kindred Products	24,374	$379.94	$357.92	$353.07	38.3	36.3	35.7	$9.92	$9.86	$9.89
Chemical and Allied Products	4,664	$721.73	$666.76	$671.58	44.8	42.2	43.3	$16.11	$15.80	$15.51
Transportation Equipment	57,500	$675.96	$678.30	$619.66	41.7	42.0	41.7	$16.21	$16.15	$14.86
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	90,193	$628.07	$632.45	$667.78	36.2	36.6	38.4	$17.35	$17.28	$17.39
Wholesale and Retail Trade (Includes eating and drinking establishments)	481,094	$299.22	$285.82	$276.89	31.9	30.8	30.8	$9.38	$9.28	$8.99

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[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

February 1991

Highlights

And What's That Coming Up Behind?

Throughout most of 1990, Washington's unemployment rate proceeded to track lower than the prior year by a significant margin. Many months were running at the lowest in 20 years. At the same time, the state's overall employment growth on a seasonally adjusted basis was easing off. Much of that seeming dichotomy simply reflected a normal seasonal upswing taking place within the confines of an already tight labor market coming into the year.

But that setting is about to change. Employment growth has now shifted back to less than the corresponding increase in the labor force. January's unemployment rate jumped from 5.6 percent to 6.9 percent – the biggest month-to-month change and the highest unemployment level recorded in nearly two years. Certainly, a good portion of the uptick was weather-related. More telling,

Volume 15, Number 2

however, was the fact that unemployment in January topped that of the prior year for the first time since briefly in October 1989.

Washington State, and the Pacific Northwest in general, has lagged the national turning point. And to date, only a slowing in the overall growth rate is in evidence. Mounting portions of the nation have succumbed to recession as that phenomenon gradually crept westward. Even the seemingly unflappable California economy has now bitten the bullet. The fact that Washington's unemployment rate has now troughed, however, does not mean that this state is likely to follow suit. A measure of strength persists locally that is encouraging. Strong export markets, Boeing's $100 billion backlog, carryover from growth already achieved in the goods-producing sectors, and continued expansion in trade and services are all providing significant underpinning to the area economy.

Resident Civilian Labor Force

Employment and Unemployment in Washington State

	Jan1991 *Preliminary*	**Dec 1990** *Revised*	**Jan 1990**
Resident Civilian Labor Force	2,484,000	2,533,500	2,480,000
Employment	2,311,700	2,391,000	2,328,400
Unemployment	172,300	142,500	151,600
Unemployment Rate	6.9%	5.6%	6.1%
National Unemployment Rate	7.0%	5.9%	5.9%

Data in this table are not seasonally adjusted.
Sources: Employment Security Department;
U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total wage and salary employment dropped in January by 43,200 workers. The reduction came close to what would be expected for the month. However, the pullback in retail trade (-15,800) off the Christmas peak proved lighter than usual. Taking up the slack were fairly normal seasonal reductions in construction (-7,900) and services (-4,800) as those industries typically moved in January to their lows for the year.

The somewhat atypical pattern in retailing can be traced to wariness on the part of the consumer ever since the invasion of Kuwait in late August. Consumer confidence plummeted over the period to lows not seen since the 1981-82 recession. At the depths in December, retailers moved cautiously in anticipation of what would surely be a less than stellar Christmas buying season. Accordingly, both the buildup and subsequent reduction of temporary sales help was constrained. The year-to-year margin for wholesale and retail trade still measured a hefty 14,800 in January. However, a year ago the spread for the same month was 50 percent higher at 22,700.

An end to hostilities in the Persian Gulf should go a long way toward bolstering activity beginning in March. Uncertainties with respect to the extent of the involvement and the concomitant impact on world oil prices have now been resolved. Clearly, the national economy remains deeply entrenched in recession. But the scenario outlined last fall for an upturn beginning in the second half now seems increasingly plausible. Moreover, the Federal Reserve has acted aggressively to get the economy moving again by dropping interest rates repeatedly over the past several months.

Construction and Services Stand Out

While Washington's economy generally has eased over the past year, there has been no appreciable letup in the pace of construction and services. Indeed, statewide housing starts were off 7 percent in 1990. However, commercial and special trade contractors have more than made up for any loss, thereby keeping the year-to-year employment margin for the industry virtually unchanged. Very much the same sort of offset exists in services with strength in health care and personal services countering somewhat slower growth in business services. For the most part, both construction and services showed fairly typical seasonal patterns in January. Total job expansion over the 12-months held firm at 9,500 and 37,000, respectively.

Catchup to growth that already occurred is accounting for much of the ongoing strength in these two highly-visible sectors. Higher payrolls and population has intensified demand for services across the board. New housing may be lagging, but home repair and remodeling are booming. The Western Wood Products Association just recently announced that for the first time in history the remodeling and rebuilding market will account for more softwood lumber consumption nationwide than new residential construction in 1991. The same is probably true locally as well.

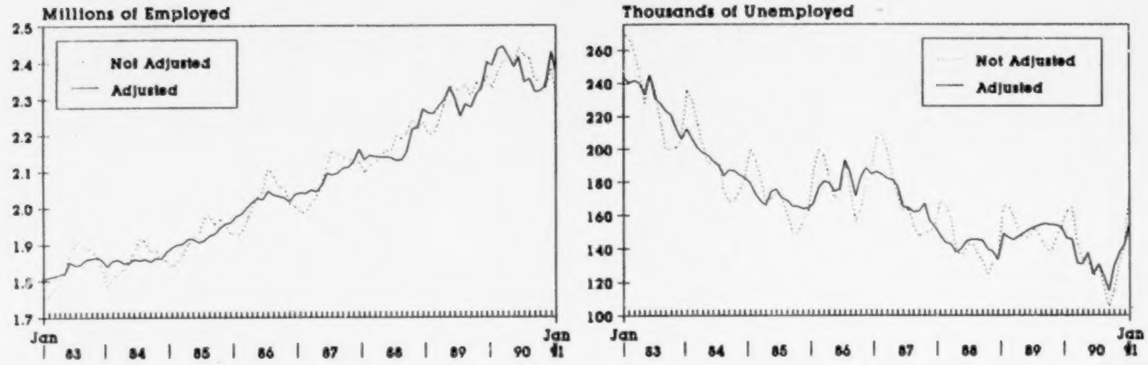
Manufacturing Hit Mostly By Weather

Meanwhile, manufacturing payrolls pared back seasonally by 6,000 in January. Each of the prior two years had shown a drop of roughly 5,000 over the comparable period. Half the loss centered in food processing (-1,600) and lumber and wood products (-1,300) as those resource-based industries typically gear down in January to their lows for the year. Other losses were in primary metals (-200), machinery (-400), and printing and publishing (-300).

Adding to the drawdown, both aerospace (-400) and other transportation equipment manufacturing (-900) also pulled back over the month. Further losses, moreover, are expected in the months ahead. Boeing has recently announced a net 2,000-worker cutback for 1991 -- roughly equivalent to what took place in 1990. Production is being hiked from 34 to 38 planes a month. But internal efficiencies and losses on the military side of the business are continuing to cause modest adjustments off a very high base.

Boatbuilding, meanwhile, is bearing the brunt of the national recession. Washington per se is not a significant producer of consumer durables. However, high-end pleasure boats is one area where gains in consumer disposable income rule. Employment in shipbuilding and boatbuilding fell 600 in January to 7,500 workers -- the lowest since July 1987. A quarter of the workforce or 2,600 jobs have been lost over the past year. Washington boat sales in 1990 shifted from a 12 percent *increase* in the first quarter to a 7 percent *loss* by the third quarter. And attendance at the January Seattle boat show this year was off 15 percent. An infusion of consumer confidence in the aftermath of the war should go a long way toward bolstering sales in the second half.

Washington State Total Resident Employment and Unemployment



Source: Employment Security Department

REBENCHMARKED EMPLOYMENT DATA FOR 1989 AND 1990

Included with this issue of the Washington Labor Market are revised monthly employment data for 1989 and 1990. As usual, the preliminary monthly estimates based upon a sample of 5,700 firms have now been rebenchmarked to an actual count through the first quarter of last year. On balance, the degree of adjustment was minor. Total statewide nonfarm employment for 1990 as a whole was revised upward by a slim 0.6 percent or 13,600 workers out of a labor force exceeding 2 million. Washington has one of the best track records in the nation with respect to monthly monitoring of the Current Employment Statistics. Understandably, most of the reworking centered in services and trade where wide differences exist with respect to basic market factors. Single firm industry code changes shifted employment in parts of manufacturing.

The net result brought employment growth for the year to 5.0 percent or 102,800 workers. This reflected some slowing from the 5.6 percent pace recorded a year before. But still measured better than twice the state's long run historical average and contrasted sharply with 2 percent for the nation as a whole..

Expansion slowed progressively during the course of the year. The state entered 1990 with a year-to-year employment spread exceeding 119,000. By December, that margin had narrowed to 72,700. Even more dramatic, total manufacturing geared down from 22,000 *above* the prior year in January to 5,000 *below* by year end. Losses were notably concentrated in aerospace, instruments, and lumber and wood products. However, the pace of services and trade growth also pulled back. The result ushered the state into 1991 at a 3.4 percent annualized rate of growth.

AREA TRENDS

Urban Areas Move In Tandem

All nine metropolitan areas in Washington inched above the prior year jobless rates in January – the first time since the 1981-82 recession. The average boost over the month measured roughly a full percentage point led by Yakima (from 12.4 percent to 15.9 percent) and Bellingham (from 5.7 percent to 8.3 percent). Seattle, Tacoma, and Spokane held at respectable, but higher than year ago, readings of 4.7 percent, 6.5 percent, and 7.2 percent, respectively. Slower employment growth has now uniformly spread across the breadth of the state including the dynamic Central Puget Sound region. It should be noted, however, that any measurement is being made against a very low 1990 base when unemployment rates generally were hovering at 20-year lows.

More Than Seasonal Elsewhere

Outside the urban centers, unemployment in January touched double-digits. Typically, the winter months mark lows for the year in terms of the state's resource-based industries which dominate much of the economies throughout both eastern and western Washington. This year was no exception. Unemployment in eastern Washington moved from 8.7 percent to 10.8 percent of the workforce, ranging from a high of 20.2 percent in Adams County to a low of 3.0 percent in neighboring Whitman County. In western Washington, where timber is king, unemployment jumped sharply over the month from 9.5 percent to 12.1 percent—up nearly two full percentage points from the like month a year ago.

Unemployment Rates by Geographic Areas
State of Washington
(percent of the civilian labor force)

Areas	Jan 1991	Dec 1990	Jan 1990
Washington State Total	6.9	5.6	6.1
Metropolitan Areas	6.1	5.0	5.4
Log & Lumber Areas	12.1	9.5	10.4
All Western WA Areas	5.9	4.8	5.1
All Eastern WA Areas	10.8	8.7	10.0

Source: Employment Security Department

INDUSTRY NOTES

A Billion Here, A Billion There

Boeing is proposing a $1.5 billion expansion to its massive Everett production facility over the next four years. Plans call for adding 10,000 new jobs to the existing workforce of 24,000, some 30 new or extended buildings, and roughly 5.6 million square feet of additional work space. Go-ahead on the new generation 777, together with stepped-up production on the 747s and 767s, prompted plans for greater production capacity at the site. In its proposal, Boeing indicated as many as 7 model 777s and 7 each 747s and 767s could be produced monthly, up from a total of 10 model 747s and 767s currently. The Everett project is the latest in a string of construction projects either planned or underway in the greater Puget Sound area. Boeing's commercial aviation unit alone has 20 buildings being built or expanded in Renton, Auburn, Tacoma, and Portland, Oregon.

Aftermath Of The Freeze

Washington farmers have elected to replant hundreds of thousands of acres in spring wheat following heavy losses from the December freeze. As much as 75 percent of the 2.2 million acres planted in winter wheat was lost to the "Arctic Express" which rolled through the area the week before Christmas. Farmers plan to seed 1 million acres in spring wheat this year compared to an average crop of between 200,000 to 300,000 acres. The effect on prices has yet to be determined.

On the other hand, heavy entry of Egypt has recently boosted current sales. Egypt bought $80 million worth of Pacific Northwest white wheat in the final two weeks of January, thereby turning around wheat prices which had languished in a yearlong slump. The Egyptian sale pushed the Portland wheat price per bushel to $3.01 during the first week of February from a low of $2.75 in mid-October. The price still trailed the high of $4.60 a bushel posted in late-1989.

Some Gains, Some Losses From The Recession

Paccar has laid off nearly a third of its workforce, or 300 workers, since the beginning of the year owing to the national recession. Truck sales had dropped precipitously, loan losses to truck purchasers are up, and the new auto-parts unit is running in the red. Profits for the fiscal year ending December 31 were off 74 percent to $63.6 million on sales of $2.5 billion. Paccar is extremely sensitive to a weak national economy with the attendant delays in capital purchasing.

At the same time, Champion International reopened its Klickitat County lumber mill after closing the plant last fall due to the drop in lumber prices coming out of the slump in housing starts. Start-up affects 75 workers in a county with an unemployment rate of 18.3 percent in January. Recent hikes in the price for "shop lumber" used for window sashes and door jambs triggered the reopening.

NATIONAL INDICATORS

Consumers Have Yet To Pound The Pavement

The nation's economy looked very much like a repeat of the fourth quarter through the early months of 1991. Government reports confirmed an economy that was still contracting at a significant pace in January. Production of U.S. factories, mines, and utilities dropped 0.4 percent in January from the previous month. The drop marked the fourth in a row and followed a revised 1.1 percent plunge in December, bringing the index of industrial production to the lowest since late-1988.

Meanwhile, consumer spending continued to languish with the outbreak of hostilities in the Persian Gulf. Consumer credit fell at 4 percent annual rate in January – the second straight monthly decline and biggest single drop since February 1987. Auto loans bore the brunt of the downturn, but miscellaneous consumer debt also fell off sharply. One of the spinoffs resulting from an end to the war has been a rebound in consumer confidence and, hopefully, some resurgence in consumer activity.

Housing In The Cellar

Lower interest rates had yet to affect the housing market in January as national housing starts plummeted to a nine-year low. Starts were off a striking 13 percent over the month to an annualized rate of 850,000 units – the lowest since January 1982 at the depths of the past recession. While most economists expected a decline, the extent of the drawdown caught many by surprise. The pace for January measured 45 percent less than the year before, and lumber production has dropped in tandem.

The Forecast Gauge Continues To Fall

The nation's principal forecasting gauge proceeded to fall 0.4 percent in January following a revised 0.1 percent decline in December. But the speed of the descent has slowed. The two months together evidenced the smallest drop in the overall index since the indicators were flat last July. Similarly, the survey of purchasing managers for the month showed further contraction but at a slower rate. It may be grasping at straws, but there may be light at the end of the tunnel.

When In Doubt, Take A Survey

Quite likely, the worst is over. According to the latest survey by the Blue Chip Economic Indicators, 70 percent of the nation's top economists expect the recession to end sometime during the second quarter. Seven out of 10 responding said the economy would pull up in either April, May, or June. Thirteen percent called for an end to the recession only a bit later in the third quarter. So there's the word.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Jan 91	Dec 90	Jan 90	Dec 90	Jan 90
	134.6	133.8	127.4	0.6%	5.7%
Seattle†	Jul-Dec 1990	Jul-Dec 1989		Jul-Dec 1990	
	129.4	119.6		8.2%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist
Labor Market and Economic Analysis Branch

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Jan 1991 (Prel)	Dec 1990 (Rev)	Jan 1990 (Rev)	Dec 1989 (Rev)	Numeric Change Dec 1990 to Jan 1991	Numeric Change Jan 1990 to Jan 1991
Total Nonagricultural Wage & Salary	2,149.3	2,192.5	2,072.4	2,119.8	-43.2	76.9
Manufacturing	359.8	365.8	365.8	370.9	-6.0	-6.0
Durable Goods	254.6	258.5	262.4	265.2	-3.9	-7.8
Lumber & Wood Products	37.5	38.8	39.3	41.0	-1.3	-1.8
Logging	8.9	9.7	9.2	10.2	-0.8	-0.3
Sawmills & Plywood	24.9	25.4	26.8	27.5	-0.5	-1.9
Furniture & Fixtures	3.9	4.1	4.0	4.0	-0.2	-0.1
Stone, Clay, & Glass	7.2	7.5	7.1	7.6	-0.3	0.1
Primary Metals	12.6	12.8	12.8	12.9	-0.2	-0.2
Aluminum	8.9	8.9	8.7	8.8	0.0	0.2
Fabricated Metals	12.2	12.4	11.9	12.3	-0.2	0.3
Industrial Machinery & Equipment	20.2	20.5	20.3	19.9	-0.3	-0.1
Computer & Office Equipment	6.4	6.6	6.3	6.1	-0.2	0.1
Electronic & Other Elect. Equipment	11.7	11.8	11.3	11.4	-0.1	0.4
Transportation Equipment	128.9	130.2	134.6	134.5	-1.3	-5.7
Aircraft & Parts	116.0	116.4	118.7	118.1	-0.4	-2.7
Instruments & Related	13.6	13.6	15.1	15.1	0.0	-1.5
Miscellaneous Manufacturing	6.8	6.8	6.0	6.5	0.0	0.8
Nondurable Goods	105.2	107.3	103.4	105.7	-2.1	1.8
Food & Kindred Products	34.7	36.3	34.6	36.2	-1.6	0.1
Preserved Fruits & Vegetables	10.1	11.2	11.0	11.7	-1.1	-0.9
Textiles, Apparel, & Leather	8.0	8.2	7.5	7.8	-0.2	0.5
Paper & Allied Products	17.7	17.7[2]	18.0	18.3	0.0	-0.3
Printing & Publishing	22.4	22.7	22.0	22.3	-0.3	0.4
Chemicals & Allied Products	13.4	13.4	12.9	12.6	0.0	0.5
Petroleum, Coal, Plastics	9.0	9.0	8.4	8.5	0.0	0.6
Mining & Quarrying	3.5	3.7	3.4	3.6	-0.2	0.1
Construction	112.7	120.6	103.2	109.0	-7.9	9.5
General Building Contractors	34.3	36.4	31.5	33.3	-2.1	2.8
Heavy Construction, ex. Buildings	13.3	15.3	13.1	14.4	-2.0	0.2
Special Trade Contractors	65.1	68.9	58.6	61.3	-3.8	6.5
Transportation, Comm., & Utilities	114.4	116.3	110.4	112.7	-1.9	4.0
Transportation	79.4	81.1	75.4	77.8	-1.7	4.0
Trucking & Warehousing	32.2	33.2	29.8	31.7	-1.0	2.4
Water Transportation	9.7	9.7	8.9	8.8	0.0	0.8
Transportation by Air	15.6	15.7	15.2	15.8	-0.1	0.4
Communications	25.1	25.4	25.8	25.7	-0.3	-0.7
Electric, Gas, & Sanitary Services	9.8	9.8	9.2	9.2	0.0	0.6
Wholesale & Retail Trade	517.1	535.7	502.3	529.1	-18.6	14.8
Wholesale Trade	127.6	130.4	123.1	127.6	-2.8	4.5
Retail Trade	389.5	405.3	379.2	401.5	-15.8	10.3
General Merchandise	40.0	43.3	40.7	46.3	-3.3	-0.7
Food Stores	65.1	65.8	60.8	64.6	-0.7	4.3
Eating & Drinking	140.5	144.4	135.5	139.3	-3.9	5.0
Finance, Insurance, & Real Estate	116.5	118.3	113.9	116.0	-1.8	2.6
Finance	50.9	51.7	51.3	52.2	-0.8	-0.4
Services	521.0	525.8	484.0	486.5	-4.8	37.0
Hotels & Lodging	25.1	26.9	23.0	24.3	-1.8	2.1
Personal Services	21.6	21.8	21.0	21.1	-0.2	0.6
Business Services	86.7	88.1	79.1	80.9	-1.4	7.6
Health Services	152.8	152.8	143.7	144.0	0.0	9.1
Educational Services	23.7	24.6	22.3	23.2	-0.9	1.4
Social Services	35.4	35.5	32.3	32.1	-0.1	3.1
Engineering & Management Services	47.4	47.0	43.4	43.2	0.4	4.0
Government	404.3	406.3	389.4	392.0	-2.0	14.9
Federal	70.7	71.6	72.8	73.5	-0.9	-2.1
State	119.2	118.2	113.4	113.6	1.0	5.8
State Education	62.6	62.2	60.2	61.3	0.4	2.4
Local	214.4	216.5	203.2	204.9	-2.1	11.2
Local Education	117.8	118.6	110.9	111.2	-0.8	6.9
Labor-Management Disputes	0.0	0.3	0.0	0.0	-0.3	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 3/1/91
Benchmark: 1990

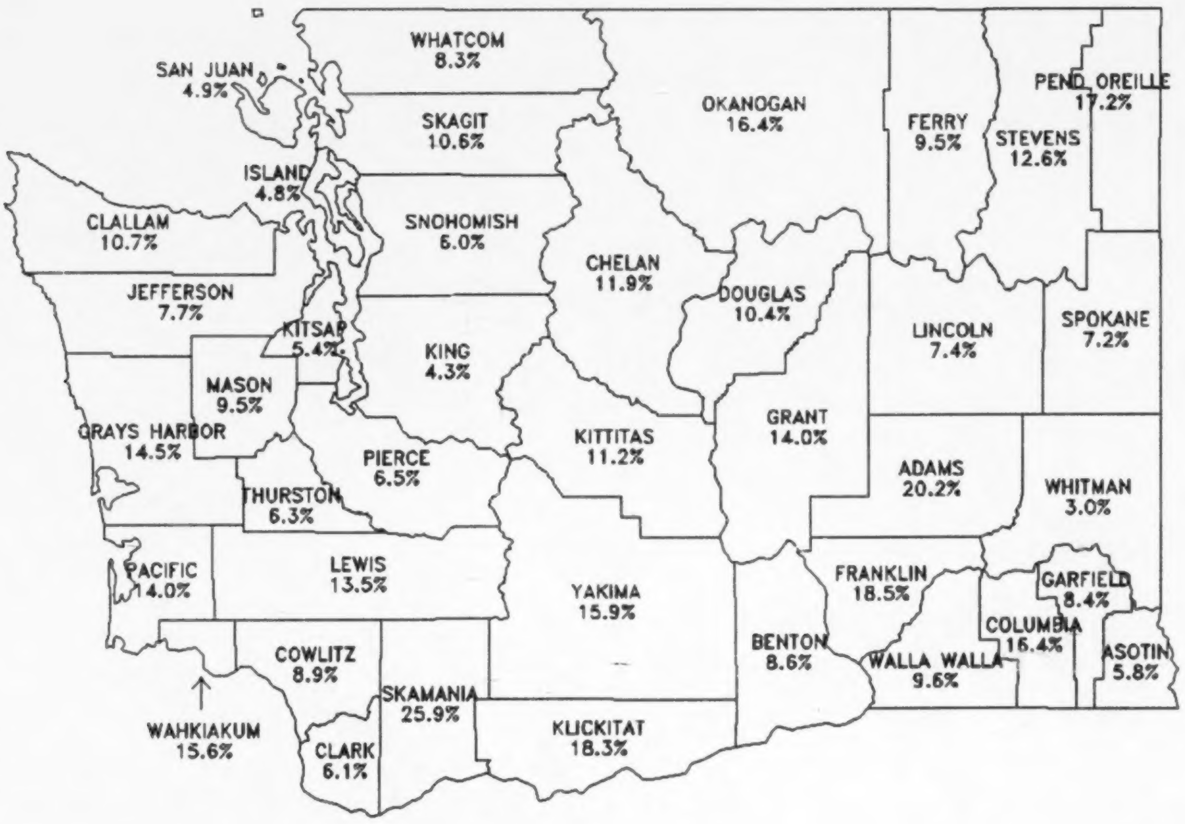
Not Seasonally Adjusted

	January 1991 Preliminary†				December 1990 Revised†				January 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,484,000	2,311,700	172,300	6.9	2,533,500	2,391,000	142,500	5.6	2,480,000	2,328,400	151,600	6.1
Bellingham MSA	69,800	64,000	5,800	8.3	70,200	66,200	4,000	5.7	66,500	62,200	4,300	6.5
Bremerton MSA	83,700	79,200	4,500	5.4	84,300	80,500	3,800	4.5	83,300	79,400	3,900	4.7
Olympia MSA	84,100	78,800	5,300	6.3	85,400	80,800	4,600	5.4	84,100	79,100	5,000	5.9
Seattle PMSA	1,121,700	1,069,100	52,600	4.7	1,150,100	1,105,400	44,700	3.9	1,128,600	1,083,500	45,100	4.0
King County‡	882,900	844,700	38,200	4.3	906,600	873,400	33,200	3.7	890,100	856,000	34,100	3.8
Snohomish County‡	238,700	224,400	14,300	6.0	243,500	232,000	11,500	4.7	238,500	227,400	11,100	4.7
Spokane MSA	172,000	159,700	12,300	7.2	176,900	166,400	10,500	5.9	171,800	159,600	12,200	7.1
Tacoma PMSA	251,300	235,000	16,300	6.5	257,300	243,100	14,200	5.5	254,700	240,400	14,300	5.6
Tri-Cities MSA	72,700	64,700	8,000	11.0	73,100	66,800	6,300	8.6	70,400	63,500	6,900	9.8
Benton County‡	55,500	50,700	4,800	8.6	56,300	52,300	4,000	7.1	54,200	49,700	4,500	8.3
Franklin County‡	17,300	14,100	3,200	18.5	16,800	14,500	2,300	13.7	16,200	13,800	2,400	14.8
Vancouver PMSA	128,700	120,800	7,900	6.1	130,500	123,700	6,800	5.2	126,200	119,000	7,200	5.7
Yakima MSA	93,600	78,700	14,900	15.9	96,000	84,100	11,900	12.4	94,000	79,700	14,300	15.2
Adams	7,290	5,820	1,470	20.2	7,120	5,930	1,190	16.7	6,470	5,340	1,130	17.5
Asotin	9,700	9,140	560	5.8	9,570	9,160	410	4.3	9,050	8,550	500	5.5
Clallam	24,100	21,530	2,570	10.7	24,290	22,040	2,250	9.3	24,700	22,400	2,300	9.3
Columbia	1,400	1,170	230	16.4	1,390	1,160	230	16.5	1,690	1,440	250	14.8
Cowlitz	39,380	35,860	3,520	8.9	39,390	36,400	2,990	7.6	39,460	36,100	3,360	8.5
Ferry	3,150	2,850	300	9.5	3,270	3,020	250	7.6	3,280	2,870	410	12.5
Garfield	950	870	80	8.4	950	880	70	7.4	980	910	70	7.1
Grant	25,040	21,530	3,510	14.0	25,790	22,820	2,970	11.5	24,520	21,670	2,850	11.6
Grays Harbor	28,240	24,140	4,100	14.5	27,000	24,130	2,870	10.6	26,660	23,480	3,180	11.9
Island	21,460	20,430	1,030	4.8	22,090	21,250	840	3.8	21,120	20,210	910	4.3
Jefferson	8,590	7,930	660	7.7	8,970	8,390	580	6.5	8,880	8,290	590	6.6
Kittitas	12,270	10,900	1,370	11.2	11,900	10,790	1,110	9.3	12,990	11,770	1,220	9.4
Klickitat	7,540	6,160	1,380	18.3	7,670	6,670	1,000	13.0	7,720	6,270	1,450	18.8
Lewis	25,600	22,150	3,450	13.5	25,320	22,830	2,490	9.8	25,550	22,870	2,680	10.5
Lincoln	4,040	3,740	300	7.4	4,020	3,770	250	6.2	3,980	3,760	220	5.5
Mason	14,270	12,920	1,350	9.5	15,740	14,470	1,270	8.1	13,940	12,830	1,110	8.0
Okanogan	17,120	14,320	2,800	16.4	17,150	14,830	2,320	13.5	16,110	13,950	2,160	13.4
Pacific	7,780	6,690	1,090	14.0	7,690	7,040	650	8.5	7,590	6,770	820	10.8
Pend Oreille	3,320	2,750	570	17.2	3,290	2,810	480	14.6	3,500	2,930	570	16.3
San Juan	5,490	5,220	270	4.9	5,670	5,480	190	3.4	5,460	5,220	240	4.4
Skagit	40,300	36,010	4,290	10.6	40,250	36,870	3,380	8.4	38,560	35,040	3,520	9.1
Skamania	2,200	1,630	570	25.9	2,220	1,830	390	17.6	2,350	1,760	590	25.1
Stevens	11,120	9,720	1,400	12.6	11,400	10,210	1,190	10.4	11,690	10,380	1,310	11.2
Wahkiakum	1,220	1,030	190	15.6	1,160	1,050	110	9.5	1,220	1,060	160	13.1
Walla Walla	23,170	20,940	2,230	9.6	23,550	21,800	1,750	7.4	23,130	20,980	2,150	9.3
Wenatchee Labor Area	43,130	38,210	4,920	11.4	43,630	39,690	3,940	9.0	40,660	36,530	4,130	10.2
Chelan County‡	28,750	25,330	3,420	11.9	28,930	26,310	2,620	9.1	27,110	24,220	2,890	10.7
Douglas County‡	14,380	12,880	1,500	10.4	14,700	13,380	1,320	9.0	13,550	12,310	1,240	9.2
Whitman	18,560	18,010	550	3.0	19,170	18,650	520	2.7	19,140	18,610	530	2.8

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

JANUARY 1991 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 6.9%


WHATCOM 8.3%
SAN JUAN 4.9%
SKAGIT 10.6%
OKANOGAN 16.4%
FERRY 9.5%
STEVENS 12.6%
PEND OREILLE 17.2%
ISLAND 4.8%
CLALLAM 10.7%
SNOHOMISH 6.0%
CHELAN 11.9%
DOUGLAS 10.4%
JEFFERSON 7.7%
KITSAP 5.4%
KING 4.3%
LINCOLN 7.4%
SPOKANE 7.2%
MASON 9.5%
GRAYS HARBOR 14.5%
GRANT 14.0%
KITTITAS 11.2%
PIERCE 6.5%
ADAMS 20.2%
WHITMAN 3.0%
THURSTON 6.3%
PACIFIC 14.0%
LEWIS 13.5%
YAKIMA 15.9%
FRANKLIN 18.5%
GARFIELD 8.4%
COLUMBIA 16.4%
BENTON 8.6%
WALLA WALLA 9.6%
ASOTIN 5.8%
COWLITZ 8.9%
SKAMANIA 25.9%
WAHKIAKUM 15.6%
CLARK 6.1%
KLICKITAT 18.3%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary January Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jan 91	Dec 90	Jan 90	Jan 91	Dec 90	Jan 90	Jan 91	Dec 90	Jan 90
TOTAL MANUFACTURING INDUSTRIES[1]	210,883	$528.98	$531.33	$516.43	39.3	40.1	40.6	$13.46	$13.25	$12.72
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	30,747	$429.16	$450.79	$451.66	36.4	38.3	40.8	$11.79	$11.77	$11.07
Primary Metal Industries	10,085	$599.76	$593.49	$582.89	42.0	43.8	44.7	$14.28	$13.55	$13.04
Fabricated Metal Products	9,780	$486.78	$516.60	$468.87	38.0	41.0	39.5	$12.81	$12.60	$11.87
Machinery	20,177	$419.33	$453.17	$412.23	38.4	40.9	39.0	$10.92	$11.08	$10.57
Food and Kindred Products	23,364	$369.66	$373.00	$363.24	36.6	37.3	36.0	$10.10	$10.00	$10.09
Chemical and Allied Products	4,694	$706.88	$722.18	$634.10	43.5	44.8	42.5	$16.25	$16.12	$14.92
Transportation Equipment	57,896	$705.88	$677.58	$657.73	42.6	41.8	43.3	$16.57	$16.21	$15.19
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	82,663	$640.28	$635.74	$618.07	36.4	36.6	36.4	$17.59	$17.37	$16.98
Wholesale and Retail Trade (Includes eating and drinking places)	443,860	$274.25	$295.76	$274.52	29.3	31.7	30.2	$9.36	$9.33	$9.09

[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Nonagricultural Wage & Salary Workers in Washington State, Place of Work, 1990 [1]

In Thousands
Not Seasonally Adjusted

Benchmark: March 1990
SIC 1987 Preliminary

	Annual Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Nonagricultural Wage & Salary	2,155.2	2,072.4	2,083.3	2,108.1	2,127.1	2,155.1	2,183.3	2,164.7	2,174.8	2,197.0	2,198.9	2,204.8	2,192.5
Manufacturing	369.9	365.8	364.7	366.9	367.6	369.8	372.5	371.8	375.4	375.6	372.7	370.1	365.8
Durable Goods	261.6	262.4	261.4	262.3	261.0	261.6	262.9	262.9	262.5	262.2	260.9	260.1	258.5
Lumber & Wood Products	40.3	39.3	39.2	39.4	40.0	40.9	41.6	41.8	41.6	41.3	40.5	39.5	38.8
Logging	9.8	9.2	8.9	8.7	9.4	10.0	10.3	10.3	10.4	10.3	10.3	10.0	9.7
Sawmills & Plywood	26.8	26.8	26.9	27.1	27.0	27.1	27.4	27.5	27.3	27.1	26.3	25.8	25.4
Furniture & Fixtures	4.1	4.0	4.0	4.0	4.0	4.0	4.2	4.2	4.3	4.2	4.2	4.2	4.1
Stone, Clay, & Glass	7.7	7.1	7.0	7.4	7.8	8.0	8.1	8.1	8.0	8.0	7.7	7.6	7.5
Primary Metals	13.1	12.8	13.0	13.0	13.1	13.2	13.3	13.3	13.2	13.1	12.9	12.9	12.8
Aluminum	8.9	8.7	8.8	8.8	9.0	9.0	9.0	9.0	9.0	9.0	8.9	8.8	8.9
Fabricated Metals	12.3	11.9	11.8	11.9	11.9	12.2	12.5	12.6	12.7	12.8	12.7	12.5	12.4
Industrial Machinery & Equipment	20.4	20.3	20.2	20.2	20.1	20.3	20.5	20.6	20.7	20.6	20.5	20.4	20.5
Computer & Office Equipment	6.4	6.3	6.3	6.2	6.1	6.2	6.3	6.4	6.5	6.4	6.4	6.5	6.6
Electronic & Other Electrical Equipment	11.5	11.3	11.3	11.4	11.4	11.3	11.4	11.5	11.5	11.5	11.7	11.7	11.8
Transportation Equipment	131.3	134.6	133.8	133.8	131.9	130.9	130.4	129.9	129.8	129.9	129.9	130.5	130.2
Aircraft & Parts	116.5	118.7	118.1	117.8	116.7	116.1	115.7	115.4	115.4	115.5	115.9	116.6	116.4
Instruments & Related	14.6	15.1	15.1	15.1	14.8	14.8	14.8	14.7	14.4	14.3	14.2	14.0	13.6
Miscellaneous Manufacturing	6.3	6.0	6.0	6.1	6.0	6.0	6.1	6.2	6.3	6.5	6.6	6.8	6.8
Nondurable Goods	108.3	103.4	103.3	104.6	106.6	108.2	109.6	108.9	112.9	113.4	111.8	110.0	107.3
Food & Kindred Products	37.6	34.6	34.5	34.9	36.7	37.6	37.9	36.6	40.6	41.7	40.5	39.0	36.3
Preserved Fruits & Vegetables	13.1	11.0	11.1	11.2	13.1	13.5	13.4	11.6	15.3	16.5	15.4	13.8	11.2
Textiles, Apparel, & Leather	8.0	7.5	7.4	7.6	7.8	7.9	8.1	8.3	8.4	8.4	8.4	8.3	8.2
Paper & Allied Products	18.1	18.0	17.9	18.1	18.0	18.1	18.7	18.7	18.7	18.2 [2]	17.8 [2]	17.7 [2]	17.7 [2]
Printing & Publishing	22.5	22.0	22.1	22.4	22.3	22.5	22.6	22.7	22.6	22.6	22.7	22.7	22.7
Chemicals & Allied Products	13.2	12.9	13.0	13.0	13.0	13.2	13.3	13.5	13.4	13.3	13.3	13.3	13.4
Petroleum, Coal, Plastics	8.9	8.4	8.4	8.6	8.8	8.9	9.0	9.1	9.2	9.2	9.1	9.0	9.0
Mining & Quarrying	3.8	3.4	3.5	3.6	3.7	3.7	3.8	3.9	4.0	4.0	3.9	3.8	3.7
Construction	119.0	103.2	102.1	108.9	113.7	118.4	122.7	126.9	129.9	129.3	127.9	124.1	120.6
General Building Contractors	35.9	31.5	31.1	32.9	34.2	35.4	37.1	38.4	39.2	39.0	38.4	37.1	36.4
Heavy Construction, ex. Buildings	16.4	13.1	12.9	14.2	15.9	17.2	17.5	18.2	18.8	18.9	18.4	16.8	15.3
Special Trade Contractors	66.7	58.6	58.1	61.8	63.6	65.8	68.1	70.3	71.9	71.4	71.1	70.2	68.9
Transportation, Communications, & Utilities	113.7	110.4	109.9	110.7	110.9	112.7	114.9	114.5	115.8	116.2	115.9	116.1	116.3
Transportation	78.8	75.4	74.8	76.1	76.5	78.2	80.0	80.1	80.5	81.1	80.9	81.0	81.1
Trucking & Warehousing	31.5	29.8	29.3	29.9	30.2	30.9	31.7	31.9	32.2	32.5	33.1	33.2	33.2
Water Transportation	9.5	8.9	8.7	9.0	9.1	9.6	9.9	10.1	9.8	10.0	9.6	9.7	9.7
Transportation by Air	15.8	15.2	15.3	15.5	15.6	15.8	16.2	16.3	16.3	16.1	16.0	15.8	15.7
Communications	25.3	25.8	25.8	25.2	25.0	25.0	25.1	24.6	25.4	25.3	25.3	25.4	25.4
Electric, Gas, & Sanitary Services	9.6	9.2	9.3	9.4	9.4	9.5	9.8	9.8	9.9	9.8	9.7	9.7	9.8

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Continued

Nonagricultural Wage & Salary Workers in Washington State, Place of Work, 1990 [1]

In Thousands
Not Seasonally Adjusted

Benchmark: March 1990
SIC 1987 Preliminary

	Annual Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Wholesale & Retail Trade	521.3	502.3	498.2	505.8	510.8	519.4	530.4	528.9	531.8	531.9	528.4	532.3	535.7
Wholesale Trade	129.2	123.1	123.8	125.7	126.9	128.3	132.7 [2]	130.5 [2]	131.3	133.9	132.3	130.9	130.4
Retail Trade	392.2	379.2	374.4	380.1	383.9	391.1	397.7	398.4	400.5	398.0	396.1	401.4	405.3
General Merchandise	39.2	40.7	38.5	38.1	38.0	38.1	38.2	38.4	38.5	38.6	38.4	41.2	43.3
Food Stores	64.1	60.8	60.8	61.8	62.9	64.0	65.0	65.1	65.1	65.6	66.1	65.8	65.8
Eating & Drinking	143.3	135.5	135.0	137.9	140.7	144.2	147.4	147.6	149.4	147.6	145.2	144.6 [2]	144.4
Finance, Insurance, & Real Estate	117.1	113.9	114.5	115.3	115.5	116.5	117.6	118.6	119.3	118.8	118.4	118.3	118.3
Finance	51.6	51.3	51.3	51.5	51.3	51.4	51.6	51.7	51.9	51.8	51.6	51.7	51.7
Services	511.9	484.0	490.0	498.9	504.2	509.6	515.9	516.8	521.1	525.9	525.5	525.5	525.8
Hotels & Lodging	25.8	23.0	23.0	23.6	24.5	25.6	27.1	27.3	27.9	27.4	26.9	26.9	26.9
Personal Services	21.6	21.0	21.5	22.1	21.8	21.2	21.4	21.1	21.2	21.8	21.9	21.8	21.8
Business Services	85.9	79.1	79.5	81.5	83.2	85.4	87.3	88.3	89.5	90.0	89.9	89.5	88.1
Health Services	148.6	143.7	144.0	145.2	145.9	147.0	148.9	149.8	150.6	151.1	151.9	151.7	152.8
Educational Services	22.6	22.3	23.6	24.0	24.1	23.8	20.6	18.1	18.1	22.2	24.3	24.9	24.6
Social Services	34.2	32.3	32.6	33.1	33.5	34.2	34.4	34.3	34.6	34.9	35.1	35.3	35.5
Engineering & Management Services	45.9	43.4	44.5	45.2	45.7	45.6	46.1	46.5	46.8	46.9	46.6	46.8	47.0
Government	398.5	389.4	400.4	398.0	400.7	405.0	405.5	383.3	377.5	395.3	406.2	414.6	406.3
Federal	73.8	72.8	72.8	73.8	75.2	77.1	75.9	76.1	73.9	72.9	72.3	71.7	71.6
State	113.9	113.4	116.1	116.8	116.2	116.4	115.1	103.2	102.9	109.6	119.2	119.1	118.2
State Education	58.4	60.2	62.3	62.9	62.2	62.1	59.8	45.1	45.2	52.4	63.0	63.4	62.2
Local	210.8	203.2	211.5	207.4	209.3	211.5	214.5	204.0	200.7	212.8 [2]	214.7	223.8	216.5
Local Education	110.6	110.9	113.1	113.6	114.1	114.5	113.9	97.1	92.2	105.3 [2]	115.7	118.6	118.6
Labor-Management Disputes	0.4	0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.0	1.0	0.3	1.1	0.3

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor management disputes.

Nonagricultural Wage & Salary Workers in Washington State, Place of Work, 1989[1]

In Thousands
Not Seasonally Adjusted

Benchmark: March 1990
SIC 1987 Revised

	Annual Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Nonagricultural Wage & Salary	2,052.4	1,953.1	1,961.1	1,988.5	2,014.2	2,045.1	2,079.1	2,058.6	2,076.3	2,114.4	2,103.9	2,115.2	2,119.8
Manufacturing	362.6	343.9	345.6	349.7	353.6	360.0	365.9	368.5	373.4	374.7	372.8	372.7	370.9
Durable Goods	258.6	246.7	247.7	250.9	253.2	257.1	261.2	262.3	263.8	264.6	264.5	265.7	265.2
Lumber & Wood Products	41.2	39.5	39.2	39.5	40.2	41.4	42.6	42.4	42.8	42.6	41.7	41.4	41.0
Logging	10.6	9.9	9.7	9.6	10.1	10.8	11.3	11.1	11.3	11.2	10.8	10.6	10.2
Sawmills & Plywood	27.4	26.8	26.7	26.9	27.0	27.3	27.8	27.9	28.0	27.9	27.4	27.3	27.5
Furniture & Fixtures	4.0	4.0	3.9	4.0	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.0
Stone, Clay, & Glass	7.5	6.7	6.6	7.0	7.4	7.6	7.9	7.9	8.0	7.9	7.7	7.7	7.6
Primary Metals	13.1	13.0	13.0	13.1	13.1	13.2	13.3	13.2	13.0	13.0	13.0	12.9	12.9
Aluminum	8.9	8.7	8.8	8.8	8.9	9.0	9.0	9.0	8.8	8.8	8.9	8.8	8.8
Fabricated Metals	11.8	11.0	11.0	11.2	11.2	11.5	12.1	12.2	12.4	12.4	12.5	12.3	12.3
Industrial Machinery & Equipment	19.4	18.4	18.5	18.8	19.0	19.3	19.7	19.7	19.8	19.8	19.7	19.7	19.9
Computer & Office Equipment	5.9	5.7	5.8	5.8	5.8	6.0	6.1	6.0	6.1	5.9	5.9	6.0	6.1
Electronic & Other Electrical Equipment	11.4	11.3	11.5	11.4	11.4	11.4	11.5	11.4	11.5	11.6	11.5	11.4	11.4
Transportation Equipment	129.1	122.2	123.2	125.0	126.1	127.7	129.1	130.5	131.2	132.1	132.9	134.4	134.5
Aircraft & Parts	113.7	107.4	108.4	110.0	110.9	112.5	113.7	115.4	116.1	117.0	117.2[3]	118.2[3]	118.1
Instruments & Related	15.2	15.0	15.1	15.1	15.1	15.2	15.3	15.3	15.3	15.3	15.1	15.3	15.1
Miscellaneous Manufacturing	6.0	5.6	5.7	5.8	5.8	5.9	5.8	5.8	5.8	5.9	6.4	6.6	6.5
Nondurable Goods	104.1	97.2	97.9	98.8	100.4	102.9	104.7	106.2	109.6	110.1	108.3	107.0	105.7
Food & Kindred Products	35.9	31.6	31.9	32.2	33.5	35.3	35.8	36.9	40.3	40.4	39.3	37.9	36.2
Preserved Fruits & Vegetables	12.7	9.9	10.2	10.2	11.4	12.6	12.8	13.2	15.7	16.0	15.2	13.5	11.7
Textiles, Apparel, & Leather	7.8	7.3	7.4	7.5	7.6	7.7	7.9	8.1	8.1	8.0	7.9	7.9	7.8
Paper & Allied Products	18.0	17.5	17.4	17.6	17.6	17.8	18.4	18.5	18.4	18.4	18.0	17.9	18.3
Printing & Publishing	21.7	21.1	21.3	21.5	21.4	21.6	21.8	21.8	21.7	22.1	22.0	22.2	22.3
Chemicals & Allied Products	12.2	11.9	12.0	12.0	11.9	12.0	12.2	12.3	12.4	12.4	12.5	12.5	12.6
Petroleum, Coal, & Plastics	8.4	7.8	7.9	8.0	8.4	8.5	8.6	8.6	8.7	8.8	8.6	8.6	8.5
Mining & Quarrying	3.6	3.3	3.2	3.4	3.5	3.7	3.7	3.7	3.7	3.7	3.6	3.6	3.6
Construction	107.1	91.3	90.7	96.6	101.6	106.4	110.4	114.3	118.0	119.5	114.9	111.9	109.0
General Building Contractors	31.6	26.4	26.0	27.3	29.1	30.8	32.4	34.0	35.5	35.5	34.5	34.0	33.3
Heavy Construction, ex. Buildings	15.8	12.5	12.8	14.7	16.0	16.6	16.9	17.5	17.9	18.2	16.9	15.6	14.4
Special Trade Contractors	59.7	52.4	51.9	54.6	56.5	59.0	61.1	62.8	64.6	65.8	63.5	62.3	61.3
Transportation, Communications, & Utilities	108.5	102.1	102.3	103.7	105.8	106.6	109.4	111.0	111.6	112.7	112.1	112.0	112.7
Transportation	74.8	69.3	69.7	71.1	72.7	73.3	75.8	76.9	77.2	78.3	77.6	77.3	77.8
Trucking & Warehousing	29.7	26.5	26.9	27.5	28.4	28.8	29.9	30.8	31.2	31.6	31.5	31.1	31.7
Water Transportation	9.0	8.5	8.4	8.6	9.1	8.9	9.4	9.9	9.3	9.5	9.0	9.1	8.8
Transportation by Air	15.1	14.1	14.2	14.4	14.6	14.7	15.3	15.3	15.6	15.9	15.6	15.6	15.8
Communications	24.7	24.1	23.9	23.8	24.2	24.3	24.5	24.8	25.0	25.2	25.4	25.5	25.7
Electric, Gas, & Sanitary Services	9.1	8.7	8.7	8.8	8.9	9.0	9.1	9.3	9.4	9.2	9.1	9.2	9.2

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Nonagricultural Wage & Salary Workers in Washington State, Place of Work, 1989[1]

In Thousands
Not Seasonally Adjusted

Benchmark: March 1990
SIC 1987 Revised

	Annual Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Wholesale & Retail Trade	503.4	479.6	476.6	481.2	488.9	498.2	510.9	509.9	514.6	518.3	513.7	520.2	529.1
Wholesale Trade	124.2	116.5	117.7	119.0	121.0	123.7	127.2	125.5	126.8	129.4	128.2	127.5	127.6
Retail Trade	379.3	363.1	358.9	362.2	367.9	374.5	383.7	384.4	387.8	388.9	385.5	392.7	401.5
General Merchandise	38.6	38.6	36.2	35.9	35.8	36.5	37.0	37.7	38.0	38.5	39.4	43.5	46.3
Food Stores	62.5	59.9	59.7	60.6	61.0	62.1	64.6 [2]	64.6 [2]	64.0	63.9	62.6	62.4	64.6
Eating & Drinking	137.3	129.1	129.2	130.7	134.7	137.1	140.1	141.4	143.2	143.8	140.2	139.2	139.3
Finance, Insurance, & Real Estate	112.7	108.9	109.0	109.7	110.5	111.7	113.3	114.0	114.9	115.1	114.6	114.9	116.0
Finance	51.1	50.3	50.3	50.3	50.5	50.6	51.1	51.4	51.6	51.7	51.6	51.7	52.2
Services	474.7	448.9	454.2	462.4	468.8	474.2	479.0	478.9	484.6 [2]	491.0	483.7	483.6	486.5
Hotels & Lodging	24.6	21.6	21.8	22.4	23.6	24.3	25.8	26.4	27.3	27.2	25.4	24.7	24.3
Personal Services	20.9	21.0	21.0	21.4	21.4	21.0	20.8	20.2	20.4	21.0	20.7	20.7	21.1
Business Services	77.1	70.5	71.0	73.0	74.5	75.9	77.8	78.8	80.6	81.4	80.2	80.2	80.9
Health Services	140.9	136.9	137.9	138.9	139.1	139.9	141.0	141.5	142.9	143.5	142.3	142.7	144.0
Educational Services	21.7	21.5	22.8	23.0	23.2	22.9	20.1	18.0	17.4	21.4	23.2	23.7	23.2
Social Services	31.3	30.1	30.5	30.9	31.3	31.8	31.6	31.0	31.1	31.6	31.9	32.0	32.1
Engineering & Management Services	41.8	39.8	40.6	41.2	41.5	41.3	41.6	42.2	42.3	42.3	42.4	42.8	43.2
Government	379.9	375.1	379.5	381.8	381.5	384.3	386.5	358.3	355.5	379.4	388.5	396.3	392.0
Federal	72.0	71.2	71.1	71.3	71.5	71.6	72.0	72.2	72.7	72.6	72.6	72.2	73.5
State	109.4	110.3	112.1	112.5	112.0	112.0	110.5	96.2	98.5	105.9	114.3	115.0	113.6
State Education	56.9	59.1	60.7	61.1	60.0	60.1	57.9	43.5	43.6	51.6	61.3	62.6	61.3
Local	198.4	193.6	196.3	198.0	198.0	200.7	204.0	189.9	184.3	200.9	201.6	209.1	204.9
Local Education	104.7	105.9	107.6	108.7	108.8	109.2	109.2	90.9	84.2	100.8	108.5	111.3	111.2
Labor-Management Disputes	1.4	0.0	0.0	0.0	0.0	0.0	8.0	8.0	1.3	0.0	0.0	0.0	0.0

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[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor management disputes.

[3] Labor dispute in aircraft affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period including the 12th of the month.

Nonagricultural Wage & Salary Workers in Washington State, Place of Work, 1988[1]

In Thousands
Not Seasonally Adjusted

Benchmark: March 1989
SIC 1987

	Annual Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Nonagricultural Wage & Salary	1943.2	1854.7	1866.2	1886.1	1913.9	1935.2	1963.5	1949.1	1959.0	1996.1	1989.7	2001.5	2003.7
Manufacturing	341.8	327.7	328.5	331.8	338.0	340.3	343.9	344.3	347.6	350.4	349.8	350.6	348.8
Durable Goods	241.4	232.8	233.7	234.9	238.1	239.4	242.5	243.7	242.8	244.5	246.4	248.8	249.5
Lumber & Wood Products	41.7	39.5	39.9	40.1 [2]	41.2	42.1	43.2 [2]	42.9 [2]	41.4 [2]	41.9 [2]	42.7	42.7	42.2
Logging	10.9	10.1	10.2	9.9	10.4	11.0	11.4	11.7	11.4	10.7	11.5	11.5	11.1
Sawmills & Plywood	27.7	26.5	26.8	27.2	27.8	28.0	28.6	28.0	26.8	28.1	28.1	28.1	27.9
Furniture & Fixtures	4.2	4.0	4.0	4.0	4.1	4.2	4.2	4.2	4.2	4.3	4.2	4.3	4.3
Stone, Clay, & Glass	7.3	6.7	6.9	7.2	7.4	7.4	7.7	7.7	7.8	7.6	7.3	7.2	7.0
Primary Metals	12.7	12.3	12.2	12.4	12.4	12.4	12.7 [2]	12.8 [2]	12.9 [2]	13.1 [2]	12.9	12.9	12.9
Aluminum	8.6	8.3	8.2	8.4	8.4	8.4	8.7	8.9	8.8	8.9	8.7	8.7	8.6
Fabricated Metals	10.9	10.3	10.1	10.1	10.5	10.7	10.9	11.1	11.3	11.3	11.5	11.3	11.3
Industrial Machinery & Equipment	18.0	17.5	17.6	17.8	18.0	17.8	17.9	18.0	18.1	18.3	18.2	18.3	18.4
Computer & Office Equipment	5.6	5.7	5.8	5.8	5.7	5.5	5.5	5.4	5.5	5.6	5.7	5.6	5.7
Electronic & Other Electrical Equipment [3]	10.5	10.0	10.1	10.2	10.3	10.3	10.4	10.6	10.7	10.7	10.8 [2]	10.9	11.1
Transportation Equipment	116.2	113.1	113.3	113.5	114.3	114.6	115.5	116.3	116.3	117.0	118.3	120.5	121.5
Aircraft & Parts	101.0	98.3	98.3	98.5	98.9	99.3	100.2	100.9	101.2	102.0	103.0	105.4	106.3
Instruments & Related [3]	14.6	14.3	14.4	14.4	14.5	14.6	14.6	14.7	14.7	14.7	14.7	14.8	14.8
Miscellaneous Manufacturing	5.5	5.1	5.2	5.2	5.4	5.3	5.4	5.4	5.4	5.6	5.8	5.9	6.0
Nondurable Goods	100.4	94.9	94.8	96.9	99.9	100.9	101.4	100.6	104.8	105.9	103.4	101.8	99.3
Food & Kindred Products	34.2	29.8	30.1	31.7	34.1	34.8	34.6	33.5	37.5	38.2	37.2	35.7	33.0
Preserved Fruits & Vegetables	12.9	9.5	9.9	11.0	13.5	14.1	13.8	11.9	15.6	15.9	15.2	13.7	10.9
Textiles, Apparel, & Leather	7.7	7.3	7.3	7.6	7.8	7.8	7.8	7.8	7.8	7.9	7.8	7.7	7.6
Paper & Allied Products [3]	17.1	16.7	16.6	16.7	16.6	17.0	17.3	17.7	17.7	17.6	17.0	16.9	17.2
Printing & Publishing	21.3	20.7	20.8	21.0	21.1	21.2	21.5	21.4	21.6	21.9	21.2	21.4	21.4
Chemicals & Allied Products [3]	12.5	13.0	12.6	12.4	12.7	12.5	12.4	12.4	12.3	12.3	12.3	12.3	12.3
Petroleum, Coal, & Plastics [3]	7.7	7.4	7.4	7.5	7.6	7.6	7.8	7.8	7.9	8.0	7.9	7.8	7.8
Mining & Quarrying	3.3	2.9	2.9	3.2	3.2	3.3	3.4	3.4	3.4	3.5	3.4	3.3	3.2
Construction	96.6	83.6	84.3	87.3	91.0	94.9	98.9	103.4 [2]	106.4	106.8	103.2	100.3	99.1
General Building Contractors	29.3	26.3	26.4	27.0	27.9	28.6	29.9	31.1	31.5	31.8	30.9	30.3	30.1
Heavy Construction, ex. Buildings	13.9	10.9	11.2	11.8	12.6	13.8	14.3	15.2	16.1	16.3	15.9	14.6	13.8
Special Trade Contractors	53.4	46.4	46.7	48.5	50.5	52.5	54.7	57.1	58.8	58.7	56.4	55.4	55.2
Transportation, Communications, & Utilities	101.9	97.7	97.7	98.8	99.1	100.6	102.3	104.1	104.5	105.4	104.6	104.0	104.5
Transportation	69.3	65.4	65.5	66.5	66.7	68.1	69.7	71.1	71.5	72.5	71.7	71.2	71.7
Trucking & Warehousing	27.0	24.8	25.0	25.4	25.6	26.2	26.9	28.0	28.1	28.5	28.9	28.2	28.9
Water Transportation	8.3	7.7	7.6	7.8	7.9	8.3	8.6	8.9	8.8	9.1	8.2	8.6	8.2
Transportation by Air	13.7	13.3	13.3	13.5	13.3	13.5	13.7	13.9	14.1	14.1	13.9	14.0	14.2
Communications	23.9	23.8	23.7	23.7	23.8	23.9	23.9	24.1	24.1	24.1	24.1	24.1	24.0
Electric, Gas, & Sanitary Services	8.7	8.5	8.5	8.6	8.6	8.6	8.7	8.9	8.9	8.8	8.8	8.7	8.8

Continued next page

Continued

Nonagricultural Wage & Salary Workers in Washington State, Place of Work, 1988[1]

In Thousands
Not Seasonally Adjusted

Benchmark: March 1989
SIC 1987

	Annual Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Wholesale & Retail Trade	477.6	453.4	451.8	456.5	463.6	470.6	480.8	485.5	488.4	493.3	489.7	495.4	502.6
Wholesale Trade	116.4	109.9	110.7	112.3	114.4	114.9	118.3	117.6	118.0	120.9	119.9	120.0	119.7
Retail Trade	361.3	343.5	341.1	344.2 [2]	349.2	355.7 [2]	362.5 [2]	367.9	370.4	372.4	369.8	375.4	382.9
General Merchandise	35.3	35.1	33.2	32.4	32.1	32.3	32.4	34.8	35.2	36.3	37.4	40.2	42.6
Food Stores	59.9	57.3	56.9	57.4	58.6	59.5	60.3	60.9	61.4	61.9	61.2	61.2	62.5
Eating & Drinking	132.5	123.5	125.0	126.9	129.4	133.1	136.6	136.1	138.1	138.2	135.0	133.8	133.8
Finance, Insurance, & Real Estate	109.4	106.7	106.8	107.6	108.3	109.2	110.3	110.7	111.2	110.9	110.0	110.1	110.6
Finance	50.6	50.4	50.1	50.4	50.5	50.7	51.0	50.7	50.9	50.8	50.6	50.7	50.9
Services	443.9	420.6	426.1	431.9	438.8	444.0	448.2	446.6	450.6	457.7	452.3	453.5	456.1
Hotels & Lodging	22.9	20.2	20.4	21.0	21.7	22.7	23.9	24.8	25.7	25.0	23.3	23.0	22.6
Personal Services	20.2	19.6	19.7	20.1	20.8	20.4	20.0	19.7	19.8	20.4	20.2	20.4	20.8
Business Services	70.0	63.6	64.3	65.7	67.3	68.8	69.9	71.3	72.6	73.9	73.9	74.0	74.7
Health Services	134.6	130.2	131.0	132.6	133.2	133.5	135.1	135.5	136.6	137.1	136.0	136.6	137.7
Educational Services	20.7	20.4	21.7	21.5	21.8	22.6	19.4	16.9	16.2	20.5	22.4	22.8	22.3
Social Services	29.0	27.6	28.0	28.3	28.8	29.0	29.2	28.2	28.5	29.8	29.9	30.1	30.2
Engineering & Management Services	38.7	37.7	38.4	38.7	39.0	38.8	39.1	38.3	38.5	38.7	38.8	39.0	39.4
Government	368.8	362.1	368.1	369.0	371.9	372.3	375.7	351.1	346.9	368.1	376.7	384.3	378.8
Federal	71.4	69.7	69.6	70.0	71.2	71.5	73.2	72.3	72.0	71.6	71.5	71.3	72.6
State	105.0	105.6	107.6	107.8	107.5	106.7	105.0	93.3	93.7	101.9	110.5	111.3	109.4
State Education	54.5	57.0	58.3	58.3	57.8	57.2	54.4	41.4	41.7	49.6	58.6	60.6	59.0
Local	192.4	186.8	190.9	191.2	193.2	194.1	197.5	185.5	181.2	194.6	194.7	201.7	196.8
Local Education	101.5	102.4	104.6	105.4	105.6	105.5	105.1	88.5	83.7	96.3	105.2	107.9	107.6
Labor-Management Disputes	0.6	0.0	0.0	0.2	0.0	0.3	0.7	2.4	2.5	0.5	0.5	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor management disputes.

[3] Break in series or change in component parts.

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Washington

LABOR MARKET

March 1991

JOB SERVICE

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In cooperation with the
Employment and Training
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U.S. Department of Labor

Highlights

Off With The Winter Blahs

Washington's economy picked up speed in February. Employment increased at a pace greater than seasonal over the month, and unemployment dipped fractionally below the prior month high. As the grip of winter eased, some outdoor activities which had been constrained by severe weather finally rousted out of hibernation. Construction and services, in particular, heightened with the change of seasons. But a less vibrant economy than a year ago kept a lid on the overall pulse and checked the strong seasonally adjusted advance posted just a month before. Nonetheless, the state continued to skirt the national recession with little more than a slowing in the aggregate growth rate.

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In the recession of 1981-82, Washington was hit harder and longer than the national average. Moreover, the state led the national downturn in employment terms by as much as six to eight months. The pullout roughly coincided. From peak to trough, statewide seasonally adjusted wage and salary employment dropped by 68,000 over the 21-month period. And then began a rebound which continues, albeit weakened, up until the present time. The fact that Washington, or the Pacific Northwest in general, has not succumbed to the current downdraft is attributed to a combination of favorable events.

How long these factors will continue to insulate the economy is anybody's guess. Much depends on the length and breadth of the national downturn which up until recently was envisioned to be relatively short and shallow. If the national recession does in fact end sometime around mid-year, there is good chance the state could come out relatively unscathed. On the other hand, if the national recession proves longer and deeper than expected, no amount of offset can continue indefinitely to undergird the local economy.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate eased in February to 6.7 percent of the labor force from a high of 7.0 percent in January. Movement over the month was encouraging inasmuch as the first two months of the year typically alternate in setting the highs for the year. But weather this February proved milder than usual. At the same time, the comparable national jobless rate inched higher in February from 7.0 percent to 7.2 percent, thereby widening the difference between the state and national averages.

Since the beginning of the year, Washington has shifted from significantly below to significantly above the prior year in terms of monthly jobless totals. The ratcheting upward was certainly expected, given the progressively slowing taking place over the past 12 months on the employment front. Labor markets coming into 1990 remained extremely tight, and fairly typical seasonal patterns simply played off against that backdrop to bring statewide unemployment levels down to some of the lowest levels seen since the late-1960s. No one expected the pattern to persist for any length of time.

Normal seasonal expansion will drive unemployment lower over the next several months. But a measure of slack in the economy will prevent a return to the very tight labor situation of a year ago. An estimated 86,000 net in-migration for 1991 continues to swell the state's overall population base. And the outlook is for nothing more than normal seasonal job expansion during the second and third quarters before growth resumes beginning in the fourth quarter of this year.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Feb1991 *Preliminary*	Jan 1991 *Revised*	Feb 1990
Resident Civilian Labor Force	2,497,500	2,488,200	2,514,000
Employment	2,329,200	2,313,900	2,362,700
Unemployment	168,300	174,300	151,300
Unemployment Rate	6.7%	7.0%	6.0%
National Unemployment Rate	7.2%	7.0%	5.8%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

REBENCHMARKED LABOR FORCE AND UNEMPLOYMENT TABLES

Revised monthly statewide labor force and unemployment data for 1988 through 1990 accompany this edition of the *Washington Labor Market*. The annual rebenchmarking process incorporates updated information on industry employment and adjustments to the monthly Current Population Survey (CPS). The net effect was a slight downward adjustment from preliminary reporting for 1990, bringing the average jobless rate for the year to 4.9 percent - the lowest since 1968.

By definition, it should be noted that the labor force and total employment estimates for the state are by place of residence and, thus, are not strictly comparable with the nonagricultural wage and salary employment, which is by place of work. Moreover, the total employment in the CLF series includes agricultural workers, self employed, and domestics who are excluded from the wage and salary tabulation. Part-time and seasonal workers are included in both. But, multiple-job holders are counted once for each job from establishment reporting of wage and salary employment and only once as either employed or unemployed for CLF purposes.

Inputs To The System

Various inputs go into the model estimating the labor force and unemployed. Three primary sources for all states are the Current Population Survey (CPS), the Current Employment Statistics (CES), and the Unemployment Insurance (UI) weekly claims data. The object of combining the series is to provide as full an accounting as possible in measuring the level of employed and unemployed in the economy at any one point in time.

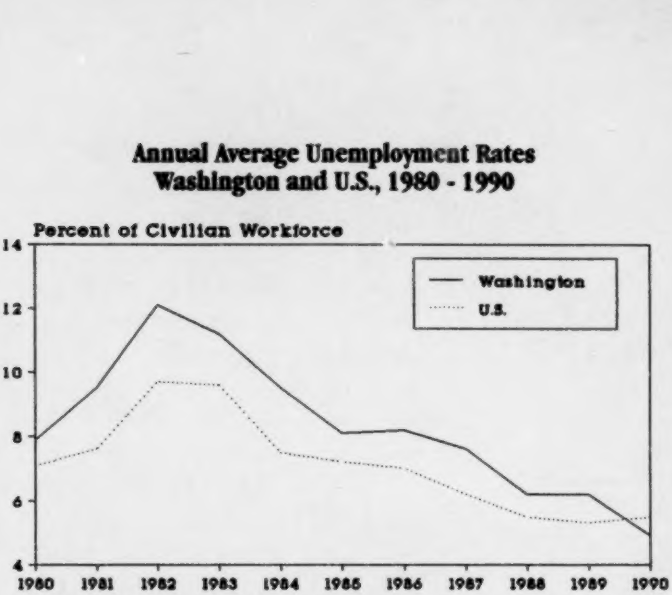
In actual practice, there has been increasing divergence lately between the monthly labor force/total employment estimates and the accompanying wage and salary detail. To be truthful, there were times in the past when the two series departed briefly. But the present period looks to be something more than a statistical aberration. Washington is not alone in this regard; many smaller states are experiencing similar patterns. The Bureau of Labor Statistics, which defined the model, has been appraised of the issue and has taken it under advisement.

Output A Matter of Degree

It appears the Current Population Survey (CPS) data are being given undue weight in the model specification, which for Washington measures a scant 800 households out of a total 1,877,000. Greater reliance is placed on the broader Current Employment Statistics (CES), which monthly measures employment levels at 5,700 establishments across all industries statewide.

In the final analysis, however, the resultant unemployment rates for Washington look reasonable when contrasted against the state's recent past history, the nation as a whole, and other states of the union. Slower nonfarm wage and salary employment growth than a year ago would dictate some heightening in overall unemployment regionally. But better than national performance should peg the state's jobless rate somewhat less than the national average. Both trends are effectively being captured.

Annual Average Unemployment Rates
Washington and U.S., 1980 - 1990



Source: Bureau of Labor Statistics and Washington Employment Security

INDUSTRY DEVELOPMENTS

Nonagricultural employment increased 4,700 in February to a level of 2,154,400 workers. Gains were basically seasonal but totalled roughly half the average January-to-February change posted in the previous five years. A pickup in construction (+1,400) and services (+3,300) from seasonal lows a month before sparked the upturn. At the same time, beginning of the spring term boosted public education payrolls by 4,400. Heavy construction and special trades contractors moved forward as milder weather permitted some outdoor activities to proceed. A further add-on to the building trades were emergency repairs to roads and dikes coming out of three months of alternating flooding and freezing which had hit the state hard beginning in late-November.

Offsetting Entries In Trade And Services

Trade and services painted a palette of give and take in February. Amusement and recreation (+1,000) inched higher seasonally, as did staffing at private colleges and universities (+900). Also on the upswing were engineering and management services (+500), social services (+400), and health services (+200), particularly nursing facilities. The pattern looked fairly typical for the month.

On the downside came sizable layoffs in retail trade (-6,700). Part of the reduction was keyed to post-holiday sales layoffs which take place regularly at this time of year.

But only about half could logically be credited to this recurring event. The rest represented a concerted drive on the part of retailing to downsize in order to meet more realistic levels of market demand. Shorter hours, smaller staff, and less outlets are becoming *de rigueur*, driven by pressing concern for the bottom line. Out of this should come better alignment and more viable individual operations.

Buildup of retail trade in recent years has been nothing short of phenomenal. Payrolls heightened by a quarter or 77,000 workers on average over the past five years with most of that growth coming from specialty shops, food stores, and eating and drinking establishments. Statewide population, in the interim, has risen an estimated 9 percent and real personal income by 20 percent. Even assuming fairly hefty gains in per capita sales, a period of shakeout would not be unexpected given the current more relaxed tone of the area economy.

Manufacturing Holds Its Own

Meanwhile, manufacturing showed little change. For the most part, payrolls held level in February with only minor shifts in selected industries. Aerospace was flat at 116,000, but other transportation equipment manufacturing dropped by 400. Both shipbuilding and land transportation equipment shared the pullback owing to weaker domestic markets than a year ago. The counter was a 500 seasonal uplift in food processing as repacking of fruits and vegetables got underway.

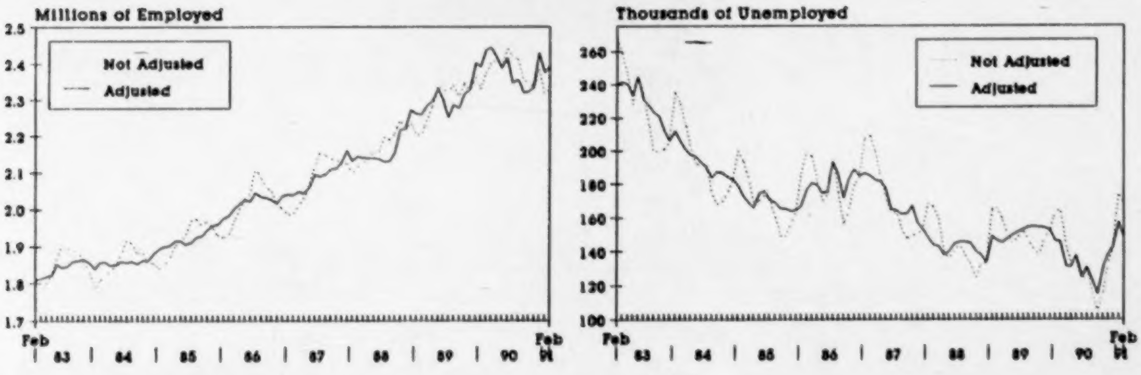
Likewise, forest products held firm at 55,600. A loss of 100 in lumber and wood products was balanced over the month by a 100 gain in paper production. Over the year, the industry was down 1,500 workers or 3 percent. Lower national housing starts has effectively crimped lumber production of the Douglas Fir Region by 20 percent from a year ago through the first quarter based upon data from the Western Wood Products Association. Temporary shutdowns and extended leaves have become commonplace in an effort to control inventories. Determined efforts of the Federal Reserve to drive down interest rates since the beginning of the year, however, should act materially over the next several months to lift housing out of the doldrums and move production higher.

Over-The-Year Remains Respectable

Over the past 12 months, Washington's nonagricultural employment base has risen by 71,100 or 3.4 percent. The national average, in contrast, is now tracking less than a year before by a slight 0.3 percent. Construction (+11,400) and trade (+12,000) have both added significantly to payroll levels from a year ago. But growth in services (+35,100) continues to lead the economy. Services make up a quarter of the state's nonfarm economy but currently is accounting for roughly half of the state's total job growth. And half of that increase is further concentrated in business and health services (+16,300).

Meanwhile, manufacturing is in deficit by 5,100 workers. Employment in the primary goods-producing sector shifted from above to below the prior-year totals beginning in October after swelling at a 5 percent compound annual growth rate from 1987 to 1990. Behind the numbers stand a levelling in aerospace and a falloff in lumber and wood products. Two isolated plant closures from corporate restructuring pulled down payrolls in instruments and primary metals. The rest of manufacturing has basically held its own.

Washington State Total Resident Employment and Unemployment
February 1983 - February 1991



Source: Employment Security Department

AREA TRENDS

Urban Centers Set The Tone

Washington's unemployment rate is currently moving in tandem with that of the state's nine major metropolitan areas. Joblessness in the urban centers dropped 0.2 percentage points on average in February to 6.0 percent of the workforce from a high of 6.2 a month before. The average for the same month a year ago registered a scant 5.3 percent. All areas, with the single exception of Vancouver, showed some uptick from the prior-year in the latest reading. Slower economic growth has impacted a broad spectrum of the economy cutting across industries and areas in fairly uniform fashion. Unemployment in Seattle-Everett has moved from 3.9 percent to 4.8 percent; Tacoma, from 5.4 percent to 6.9 percent; and Spokane, 6.6 percent to 7.2 percent over the past 12 months.

Balance of State Affected By The Weather

Improved weather acted to drive down unemployment throughout most of the balance of the state in February. Rates remained at double-digits throughout both the agricultural and timber-dependent economies. However, the level of joblessness eased from 12.2 percent to 11.0 percent in the logging and lumber areas and from 10.9 percent to 10.3 percent on average in eastern Washington. Prior-year levels stood at 11.2 percent and 9.4 percent, respectively.

Unemployment Rates by Geographic Areas
State of Washington
(percent of the civilian labor force)

Areas	Feb 1991	Jan 1991	Feb 1990
Washington State Total	6.7	7.0	6.0
Metropolitan Areas	6.0	6.2	5.3
Log & Lumber Areas	11.0	12.2	11.2
All Western WA Areas	5.8	6.0	5.1
All Eastern WA Areas	10.3	10.9	9.4

Source: Employment Security Department

Prepared by Dennis Fusco, Chief Economist

SPECIAL INTEREST ITEM

Pacific Northwest Grads: What, Me Worry?

When the national press and media recently focused on job prospects for the Class of 1991, the news was not all that good. Soon-to-be graduates set out promisingly in the midst of an economic expansion but found themselves seeking employment in a recessionary environment. Indeed, that's the national picture, focused principally on the recession-plagued Northeast and Midwest. But what about the prospects here at home?

To answer that question we undertook a telephone survey of job placement directors at public and private colleges across the state early in the new year. By that time, most on-campus interview schedules had been finalized. All four-year colleges and universities in Washington were surveyed, and the community colleges were included on a regionally-representative basis. While admittedly non-scientific, the results found employment prospects for Washington's Class of 1991 ***far more favorable*** than elsewhere in the nation. Moreover, job prospects appeared to be largely comparable with those of recent past graduating classes.

Recruiters Still Coming

From Eastern- to Central- to Western Washington University, placement officers reported that on-campus visits by recruiters would match or exceed levels posted last year. The number of job listings and internships was also running at or above last year. Washington State University reported pretty much the same story, as did Pacific Lutheran and the University of Puget Sound. Smaller private institutions, such as Gonzaga and Whitman, experienced some cooling off, but nothing close to that seen nationally. Staff attributed the cancellations to a "wait and see" attitude on the part of employers rather than refusal to hire. Most employers, they said, had openings to fill and would probably be lining something up later in the year.

The view at the University of Washington was somewhat different. However, there has been ***no net decline*** in the number of firms participating. While the UW witnessed a 5 to 10 percent increase in normal on-campus recruitment cancellations this year, most were national firms and openings were quickly filled by regional firms waiting for space.

Community colleges were surveyed in several regions of the state and the results were generally uniform: job placement has been consistent with recent past years. The same was true generally for vocational-technical schools.

Blame It On A Different Environment

So why do job prospects for Washington's Class of 1991 remain promising while those elsewhere across the nation wane? Much has to do with the fact that Washington's economy has not succumbed to the recessionary pressures seen elsewhere. Washington's colleges and universities (with the exception of the University of Washington) generally have a regional focus and their on-campus recruiting lineups tend to reflect that emphasis.

For what it's worth, the bleak picture painted by national press has had a beneficial impact on local applicants. Placement officers report that students, anticipating a tight labor market, are generally better prepared and more polished than their predecessors. They are also more willing to accept job opportunities outside the region such as in California or in the Southwest - something "unthinkable" a year or two ago. Those with less marketable degrees, moreover, are generally choosing to go directly on to graduate school.

Special Survey Conducted by
Gary Kamimura, Economic Analyst

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Feb 1991 (Prel)	Jan 1991 (Rev)	Feb 1990 (Rev)	Jan 1990 (Rev)	Numeric Change Jan 1991 to Feb 1991	Numeric Change Feb 1990 to Feb 1991
Total Nonagricultural Wage & Salary	2,154.4	2,149.7	2,083.3	2,072.4	4.7	71.1
Manufacturing	359.6	360.0	364.7	365.8	-0.4	-5.1
Durable Goods	254.3	255.3	261.4	262.4	-1.0	-7.1
Lumber & Wood Products	37.8	37.9	39.2	39.3	-0.1	-1.4
Logging	9.4	9.3	8.9	9.2	0.1	0.5
Sawmills & Plywood	24.7	24.9	26.9	26.8	-0.2	-2.2
Furniture & Fixtures	3.9	3.9	4.0	4.0	0.0	-0.1
Stone, Clay, & Glass	7.4	7.2	7.0	7.1	0.2	0.4
Primary Metals	12.5	12.6	13.0	12.8	-0.1	-0.5
Aluminum	8.9	8.9	8.8	8.7	0.0	0.1
Fabricated Metals	12.1	12.3	11.8	11.9	-0.2	0.3
Industrial Machinery & Equipment	20.1	20.2	20.2	20.3	-0.1	-0.1
Computer & Office Equipment	6.4	6.4	6.3	6.3	0.0	0.1
Electronic & Other Electrical Equipment	11.7	11.7	11.3	11.3	0.0	0.4
Transportation Equipment	128.7	129.1	133.8	134.6	-0.4	-5.1
Aircraft & Parts	116.0	116.0	118.1	118.7	0.0	-2.1
Instruments & Related	13.6	13.6	15.1	15.1	0.0	-1.5
Miscellaneous Manufacturing	6.5	6.8	6.0	6.0	-0.3	0.5
Nondurable Goods	105.3	104.7	103.3	103.4	0.6	2.0
Food & Kindred Products	34.7	34.2	34.5	34.6	0.5	0.2
Preserved Fruits & Vegetables	10.4	10.0	11.1	11.0	0.4	-0.7
Textiles, Apparel, & Leather	8.0	8.0	7.4	7.5	0.0	0.6
Paper & Allied Products	17.8	17.7[2]	17.9	18.0	0.1	-0.1
Printing & Publishing	22.5	22.5	22.1	22.0	0.0	0.4
Chemicals & Allied Products	13.5	13.4	13.0	12.9	0.1	0.5
Petroleum, Coal, Plastics	8.8	8.9	8.4	8.4	-0.1	0.4
Mining & Quarrying	3.5	3.6	3.5	3.4	-0.1	0.0
Construction	113.5	112.1	102.1	103.2	1.4	11.4
General Building Contractors	33.4	33.7	31.1	31.5	-0.3	2.3
Heavy Construction, ex. Buildings	14.4	13.4	12.9	13.1	1.0	1.5
Special Trade Contractors	65.7	65.1	58.1	58.6	0.6	7.6
Transportation, Comms., & Utilities	114.0	114.2	109.9	110.4	-0.2	4.1
Transportation	79.1	79.3	74.8	75.4	-0.2	4.3
Trucking & Warehousing	32.3	32.2	29.3	29.8	0.1	3.0
Water Transportation	9.4	9.6	8.7	8.9	-0.2	0.7
Transportation by Air	15.3	15.6	15.3	15.2	-0.3	0.0
Communications	25.1	25.1	25.8	25.8	0.0	-0.7
Electric, Gas, & Sanitary Services	9.8	9.8	9.3	9.2	0.0	0.5
Wholesale & Retail Trade	510.2	516.4	498.2	502.3	-6.2	12.0
Wholesale Trade	128.0	127.5	123.8	123.1	0.5	4.2
Retail Trade	382.2	388.9	374.4	379.2	-6.7	7.8
General Merchandise	36.2	39.2	38.5	40.7	-3.0	-2.3
Food Stores	64.7	65.4	60.8	60.8	-0.7	3.9
Eating & Drinking	141.1	140.7	135.0	135.5	0.4	6.1
Finance, Insurance, & Real Estate	117.3	116.8	114.5	113.9	0.5	2.8
Finance	50.9	50.9	51.3	51.3	0.0	-0.4
Services	525.1	521.8	490.0	484.0	3.3	35.1
Hotels & Lodging	25.1	25.1	23.0	23.0	0.0	2.1
Personal Services	22.1	21.9	21.5	21.0	0.2	0.6
Business Services	86.6	86.4	79.5	79.1	0.2	7.1
Health Services	153.2	153.0	144.0	143.7	0.2	9.2
Educational Services	24.8	23.7	23.6	22.3	1.1	1.2
Social Services	36.0	35.6	32.6	32.3	0.4	3.4
Engineering & Management Services	47.9	47.4	44.5	43.4	0.5	3.4
Government	411.2	404.8	400.4	389.4	6.4	10.8
Federal	70.6	70.7	72.8	72.8	-0.1	-2.2
State	121.7	119.2	116.1	113.4	2.5	5.6
State Education	64.4	62.6	62.3	60.2	1.8	2.1
Local	218.9	214.9	211.5	203.2	4.0	7.4
Local Education	120.4	117.8	113.1	110.9	2.6	7.3
Labor-Management Disputes	0.0	0.3	0.0	0.0	-0.3	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic
Analysis

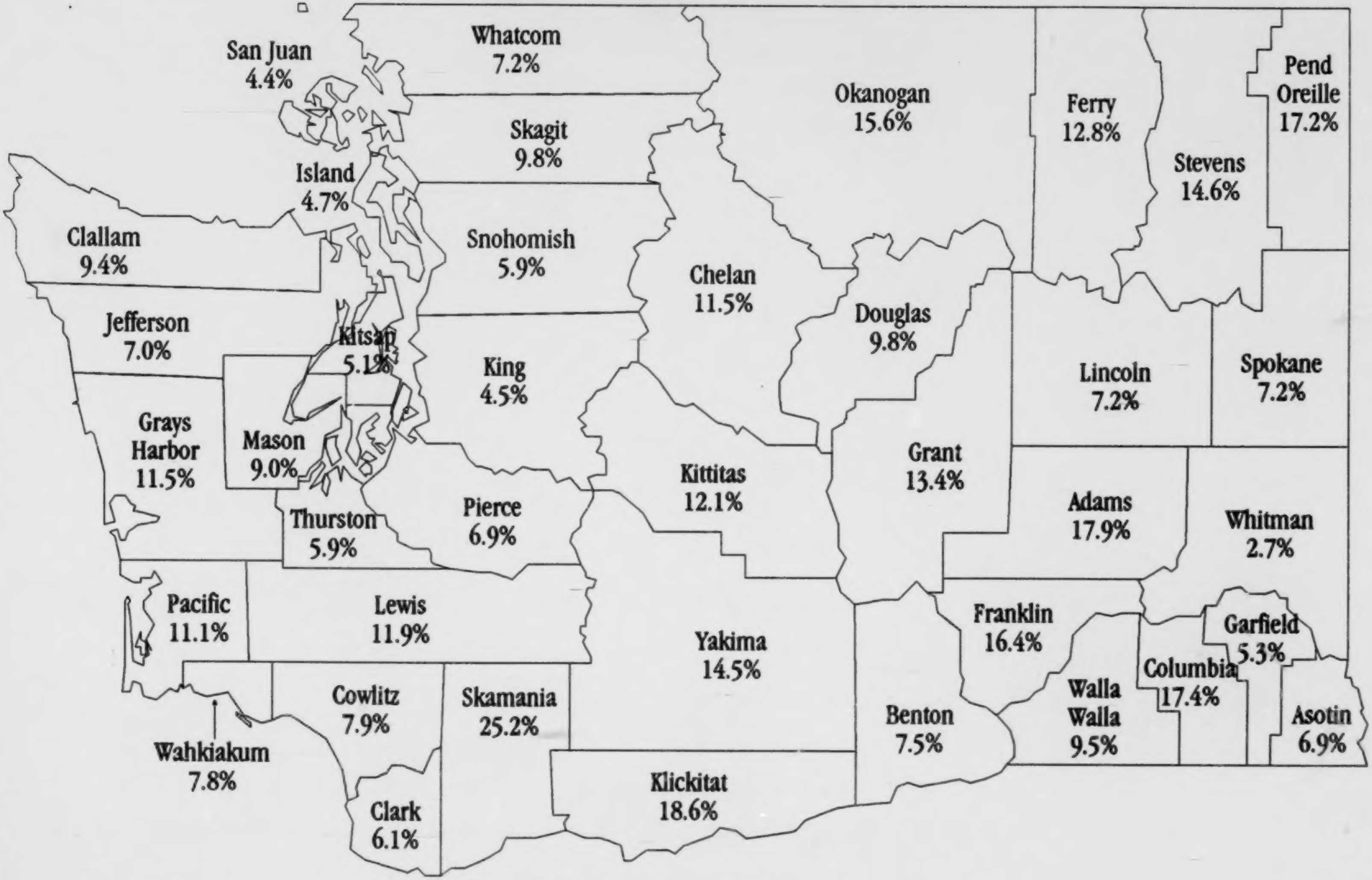
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 4/3/91
Benchmark: 1990

	February 1991 Preliminary†				January 1991 Revised†				February 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,497,500	2,329,200	168,300	6.7	2,488,200	2,313,900	174,300	7.0	2,514,000	2,362,700	151,300	6.0
Bellingham MSA	69,100	64,100	5,000	7.2	69,800	63,900	5,900	8.5	67,100	62,900	4,200	6.3
Bremerton MSA	83,700	79,400	4,300	5.1	83,500	79,000	4,500	5.4	84,000	80,200	3,800	4.5
Olympia MSA	84,900	79,900	5,000	5.9	84,100	78,700	5,400	6.4	85,500	80,300	5,200	6.1
Seattle PMSA	1,130,600	1,076,800	53,800	4.8	1,121,800	1,068,800	53,000	4.7	1,143,700	1,099,000	44,700	3.9
King County‡	890,500	850,800	39,700	4.5	883,000	844,400	38,600	4.4	901,500	868,300	33,200	3.7
Snohomish County‡	240,100	226,000	14,100	5.9	238,700	224,300	14,400	6.0	242,200	230,700	11,500	4.7
Spokane MSA	173,300	160,800	12,500	7.2	171,700	159,300	12,400	7.2	173,200	161,800	11,400	6.6
Tacoma PMSA	252,300	235,000	17,300	6.9	252,800	236,200	16,600	6.6	257,400	243,400	14,000	5.4
Tri-Cities MSA	72,700	65,800	6,900	9.5	72,800	64,700	8,100	11.1	71,800	65,600	6,200	8.6
Benton County‡	55,700	51,500	4,200	7.5	55,400	50,600	4,800	8.7	55,400	51,400	4,000	7.2
Franklin County‡	17,100	14,300	2,800	16.4	17,400	14,100	3,300	19.0	16,600	14,300	2,300	13.9
Vancouver PMSA	128,500	120,700	7,800	6.1	128,700	120,700	8,000	6.2	128,100	120,300	7,800	6.1
Yakima MSA	95,500	81,700	13,800	14.5	94,700	79,700	15,000	15.8	95,800	82,400	13,400	14.0
Adams	7,590	6,230	1,360	17.9	7,510	5,990	1,520	20.2	6,370	5,520	850	13.3
Asotin	10,040	9,350	690	6.9	9,690	9,130	560	5.8	9,240	8,760	480	5.2
Clallam	23,630	21,420	2,210	9.4	24,110	21,520	2,590	10.7	25,020	22,460	2,560	10.2
Columbia	1,440	1,190	250	17.4	1,410	1,170	240	17.0	1,710	1,470	240	14.0
Cowlitz	38,920	35,840	3,080	7.9	39,210	35,630	3,580	9.1	39,810	36,140	3,670	9.2
Ferry	3,280	2,860	420	12.8	3,160	2,850	310	9.8	3,290	2,890	400	12.2
Garfield	940	890	50	5.3	950	860	90	9.5	1,020	950	70	6.9
Grant	25,710	22,260	3,450	13.4	25,560	21,930	3,630	14.2	25,230	22,090	3,140	12.4
Grays Harbor	28,490	25,210	3,280	11.5	29,140	25,010	4,130	14.2	27,210	23,700	3,510	12.9
Island	21,350	20,350	1,000	4.7	21,460	20,420	1,040	4.8	21,430	20,440	990	4.6
Jefferson	8,470	7,880	590	7.0	8,600	7,920	680	7.9	8,890	8,300	590	6.6
Kittitas	12,840	11,280	1,560	12.1	12,690	11,270	1,420	11.2	13,090	11,900	1,190	9.1
Klickitat	7,600	6,190	1,410	18.6	7,540	6,150	1,390	18.4	7,710	6,350	1,360	17.6
Lewis	24,340	21,440	2,900	11.9	25,590	22,110	3,480	13.6	26,420	22,950	3,470	13.1
Lincoln	4,140	3,840	300	7.2	3,970	3,670	300	7.6	4,200	3,980	220	5.2
Mason	14,720	13,390	1,330	9.0	14,830	13,450	1,380	9.3	14,070	12,870	1,200	8.5
Okanogan	17,340	14,640	2,700	15.6	17,190	14,370	2,820	16.4	16,630	14,370	2,260	13.6
Pacific	7,230	6,430	800	11.1	7,700	6,610	1,090	14.2	7,690	6,740	950	12.4
Pend Oreille	3,320	2,750	570	17.2	3,340	2,740	600	18.0	3,530	2,970	560	15.9
San Juan	5,430	5,190	240	4.4	5,490	5,220	270	4.9	5,430	5,180	250	4.6
Skagit	40,070	36,140	3,930	9.8	40,300	35,980	4,320	10.7	38,750	35,130	3,620	9.3
Skamania	2,260	1,690	570	25.2	2,210	1,630	580	26.2	2,440	1,800	640	26.2
Stevens	11,490	9,810	1,680	14.6	11,130	9,690	1,440	12.9	11,850	10,560	1,290	10.9
Wahkiakum	1,160	1,070	90	7.8	1,220	1,030	190	15.6	1,310	1,070	240	18.3
Walla Walla	23,710	21,450	2,260	9.5	23,180	20,930	2,250	9.7	23,730	21,610	2,120	8.9
Wenatchee Labor Area	42,450	37,810	4,640	10.9	42,560	37,570	4,990	11.7	41,550	37,320	4,230	10.2
Chelan County‡	28,320	25,070	3,250	11.5	28,410	24,910	3,500	12.3	27,600	24,740	2,860	10.4
Douglas County‡	14,140	12,750	1,390	9.8	14,150	12,660	1,490	10.5	13,950	12,580	1,370	9.8
Whitman	19,050	18,540	510	2.7	18,560	18,010	550	3.0	19,850	19,380	470	2.4

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

February 1991 Unemployment Rates
State of Washington = 6.7%


Whatcom 7.2%
San Juan 4.4%
Okanogan 15.6%
Ferry 12.8%
Pend Oreille 17.2%
Skagit 9.8%
Island 4.7%
Stevens 14.6%
Clallam 9.4%
Snohomish 5.9%
Chelan 11.5%
Douglas 9.8%
Jefferson 7.0%
Kitsap 5.1%
King 4.5%
Lincoln 7.2%
Spokane 7.2%
Grays Harbor 11.5%
Mason 9.0%
Grant 13.4%
Kittitas 12.1%
Thurston 5.9%
Pierce 6.9%
Adams 17.9%
Whitman 2.7%
Franklin 16.4%
Garfield 5.3%
Pacific 11.1%
Lewis 11.9%
Yakima 14.5%
Columbia 17.4%
Walla Walla 9.5%
Cowlitz 7.9%
Skamania 25.2%
Benton 7.5%
Asotin 6.9%
Wahkiakum 7.8%
Klickitat 18.6%
Clark 6.1%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary February Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Feb 91	Jan 91	Feb 90	Feb 91	Jan 91	Feb 90	Feb 91	Jan 91	Feb 90
TOTAL MANUFACTURING INDUSTRIES[1]	210,185	$528.12	$532.07	$506.48	39.5	39.5	39.6	$13.37	$13.47	$12.79
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31,325	$452.76	$436.16	$410.84	38.5	36.9	37.9	$11.76	$11.82	$10.84
Primary Metal Industries	9,903	$592.02	$594.14	$554.67	42.9	41.9	42.7	$13.80	$14.18	$12.99
Fabricated Metal Products	9,657	$521.88	$485.35	$478.38	40.9	37.8	40.2	$12.76	$12.84	$11.90
Machinery	19,863	$437.18	$428.97	$420.90	39.6	39.5	39.3	$11.04	$10.86	$10.71
Food and Kindred Products	23,787	$367.52	$367.56	$360.80	36.9	36.5	35.9	$9.96	$10.07	$10.05
Chemical and Allied Products	4,742	$664.56	$679.62	$659.03	42.6	41.9	42.3	$15.60	$16.22	$15.58
Transportation Equipment	56,972	$685.99	$711.71	$648.04	41.3	42.9	42.3	$16.61	$16.59	$15.32
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	84,457	$636.08	$634.28	$594.59	36.1	36.1	35.1	$17.62	$17.57	$16.94
Wholesale and Retail Trade (Includes eating and drinking establishments)	451,196	$284.89	$279.57	$271.80	30.6	29.9	30.0	$9.31	$9.35	$9.06

[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
Employment Security Department
Labor Market & Economic Analysis Branch

Benchmark: March 1990

Washington State Annual Averages
Resident Labor Force and Employment by Labor Area

	1990				1989				1988			
	Civilian Labor Force	Employment	Unemployment	Unemployment Rate	Civilian Labor Force	Employment	Unemployment	Unemployment Rate	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,503,000	2,381,000	122,000	4.9	2,451,000	2,300,000	151,000	6.2	2,316,000	2,173,000	143,000	6.2
Bellingham MSA	68,200	64,900	3,300	4.8	64,600	60,300	4,300	6.7	60,000	55,700	4,300	7.2
Bremerton MSA	83,000	79,500	3,500	4.2	79,900	75,600	4,300	5.4	76,400	72,300	4,100	5.4
Olympia MSA	83,500	79,400	4,100	4.9	79,600	74,600	5,000	6.3	75,200	70,500	4,700	6.3
Seattle PMSA	1,125,800	1,086,600	39,200	3.5	1,105,400	1,054,800	50,600	4.6	1,033,700	983,700	50,000	4.8
King County	888,400	858,500	29,900	3.4	872,700	833,400	39,300	4.5	815,700	777,200	38,500	4.7
Snohomish County	237,400	228,100	9,300	3.9	232,700	221,400	11,300	4.9	217,900	206,500	11,400	5.2
Spokane MSA	171,100	162,000	9,100	5.3	169,500	158,500	11,000	6.5	164,700	154,500	10,200	6.2
Tacoma PMSA	254,200	242,000	12,200	4.8	251,700	235,800	15,900	6.3	243,500	228,200	15,300	6.3
Tri-Cities MSA	74,600	69,500	5,100	6.8	72,400	66,100	6,300	8.7	68,400	62,600	5,800	8.5
Benton County	57,800	54,400	3,400	5.9	56,000	51,700	4,300	7.7	53,200	49,000	4,200	7.9
Franklin County	16,900	15,100	1,800	10.7	16,300	14,300	2,000	12.3	15,200	13,600	1,600	10.5
Vancouver PMSA	128,200	121,900	6,300	4.9	122,200	115,000	7,200	5.9	115,400	108,800	6,600	5.7
Yakima MSA	101,500	91,600	9,900	9.8	98,800	87,000	11,800	11.9	93,500	83,400	10,100	10.8
Adams	7,290	6,510	780	10.7	6,890	6,060	830	12.0	6,590	5,860	730	11.1
Asotin	9,330	8,950	380	4.1	9,140	8,670	470	5.1	9,010	8,500	510	5.7
Clallam	24,570	22,840	1,730	7.0	24,450	22,370	2,080	8.5	23,160	21,270	1,890	8.2
Columbia	1,810	1,640	170	9.4	1,740	1,500	240	13.8	1,930	1,670	260	13.5
Cowlitz	38,940	36,240	2,700	6.9	38,240	35,110	3,130	8.2	35,830	33,170	2,660	7.4
Ferry	3,280	3,000	280	8.5	3,220	2,850	370	11.5	2,870	2,540	330	11.5
Garfield	1,000	960	40	4.0	980	930	50	5.1	1,030	980	50	4.9
Grant	26,960	24,720	2,240	8.3	26,990	24,260	2,730	10.1	24,250	21,770	2,480	10.2
Grays Harbor	26,380	23,990	2,390	9.1	26,940	24,160	2,780	10.3	25,980	23,520	2,460	9.5
Island	21,670	20,880	790	3.6	20,720	19,760	960	4.6	19,410	18,490	920	4.7
Jefferson	9,110	8,670	440	4.8	8,440	7,950	490	5.8	8,270	7,780	490	5.9
Kittitas	12,280	11,400	880	7.2	12,050	10,960	1,090	9.0	11,590	10,450	1,140	9.8
Klickitat	7,870	6,970	900	11.4	7,910	6,840	1,070	13.5	7,710	6,730	980	12.7
Lewis	25,390	23,380	2,010	7.9	25,640	23,370	2,270	8.9	24,520	22,330	2,190	8.9
Lincoln	4,320	4,150	170	3.9	4,230	4,030	200	4.7	4,270	4,060	210	4.9
Mason	14,600	13,700	900	6.2	14,150	13,110	1,040	7.3	13,720	12,750	970	7.1
Okanogan	17,850	16,080	1,770	9.9	17,580	15,490	2,090	11.9	16,230	14,260	1,970	12.1
Pacific	7,720	7,100	620	8.0	7,420	6,690	730	9.8	7,220	6,590	630	8.7
Pend Oreille	3,350	2,930	420	12.5	4,840	4,380	460	9.5	3,800	3,380	420	11.1
San Juan	6,170	6,010	160	2.6	5,740	5,510	230	4.0	5,450	5,210	240	4.4
Skagit	40,070	37,390	2,680	6.7	37,790	34,620	3,170	8.4	34,630	31,610	3,020	8.7
Skamania	2,190	1,840	350	16.0	2,340	1,910	430	18.4	2,350	1,950	400	17.0
Stevens	11,570	10,500	1,070	9.2	11,870	10,750	1,120	9.4	11,680	10,670	1,010	8.6
Wahkiakum	1,230	1,120	110	8.9	1,220	1,120	100	8.2	1,220	1,120	100	8.2
Walla Walla	23,580	22,220	1,360	5.8	23,660	21,970	1,690	7.1	23,300	21,630	1,670	7.2
Wenatchee Labor Area	45,410	41,930	3,480	7.7	43,990	39,750	4,240	9.6	40,850	37,120	3,730	9.1
Chelan County	30,210	27,790	2,420	8.0	29,360	26,350	3,010	10.3	27,360	24,610	2,750	10.1
Douglas County	15,190	14,130	1,060	7.0	14,640	13,400	1,240	8.5	13,490	12,510	980	7.3
Whitman	18,860	18,450	410	2.2	18,770	18,260	510	2.7	18,470	17,940	530	2.9

Prepared in cooperation with the Bureau of Labor Statistics (BLS). Data were revised using new BLS methodolgy introduced in January 1989.
Note: Detail may not add or divide due to rounding.

Resident Civilian Labor Force and Employment in Washington State[1]

Benchmark: March 1990

	Annual Average	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1990[2]													
Civilian Labor Force	2,503,000	2,480,000	2,514,000	2,520,000	2,507,500	2,495,900	2,536,400	2,532,400	2,515,200	2,452,900	2,470,200	2,478,100	2,533,500
Total Employment	2,381,000	2,328,400	2,362,700	2,389,000	2,389,800	2,383,400	2,430,800	2,420,400	2,409,200	2,355,800	2,361,800	2,349,800	2,391,000
Total Unemployment	122,000	151,600	151,300	131,000	117,700	112,500	105,600	112,000	106,000	97,100	108,400	128,300	142,500
Percent of Labor Force	4.9	6.1	6.0	5.2	4.7	4.5	4.2	4.4	4.2	4.0	4.4	5.2	5.6
1989[2]													
Civilian Labor Force	2,451,000	2,373,100	2,370,200	2,405,600	2,437,100	2,482,500	2,475,000	2,471,600	2,487,400	2,452,500	2,476,800	2,468,100	2,512,300
Total Employment	2,300,000	2,203,300	2,199,000	2,240,900	2,282,400	2,333,900	2,323,800	2,317,900	2,341,100	2,313,500	2,344,100	2,328,300	2,371,900
Total Unemployment	151,000	169,800	171,200	164,700	154,700	148,600	151,200	153,700	146,300	139,000	132,700	139,800	140,400
Percent of Labor Force	6.2	7.2	7.2	6.8	6.3	6.0	6.1	6.2	5.9	5.7	5.4	5.7	5.6
1988[2]													
Civilian Labor Force	2,316,000	2,266,300	2,280,600	2,280,000	2,280,600	2,292,000	2,295,100	2,339,300	2,328,900	2,338,000	2,370,900	2,348,600	2,371,700
Total Employment	2,173,000	2,099,900	2,116,100	2,122,800	2,141,800	2,157,100	2,154,600	2,195,100	2,190,200	2,203,800	2,244,900	2,214,300	2,235,400
Total Unemployment	143,000	166,400	164,500	157,200	138,800	134,900	140,500	144,200	138,700	134,200	126,000	134,300	136,300
Percent of Labor Force	6.2	7.3	7.2	6.9	6.1	5.9	6.1	6.2	6.0	5.7	5.3	5.7	5.7
1987													
Civilian Labor Force	2,258,000	2,199,000	2,184,600	2,211,800	2,204,900	2,238,800	2,278,800	2,310,700	2,307,400	2,282,500	2,299,500	2,279,800	2,298,300
Total Employment	2,087,000	1,989,700	1,974,400	2,012,100	2,022,700	2,068,700	2,119,500	2,149,000	2,153,800	2,134,100	2,148,900	2,128,300	2,142,900
Total Unemployment	171,000	209,300	210,200	199,700	182,200	170,100	159,300	161,700	153,600	148,400	150,600	151,500	155,400
Percent of Labor Force	7.6	9.5	9.6	9.0	8.3	7.6	7.0	7.0	6.7	6.5	6.5	6.6	6.8
1986													
Civilian Labor Force	2,198,000	2,109,900	2,130,100	2,162,400	2,183,000	2,197,700	2,218,500	2,303,900	2,259,900	2,213,000	2,217,500	2,191,400	2,188,600
Total Employment	2,018,000	1,923,800	1,930,700	1,966,000	2,000,700	2,027,500	2,044,900	2,110,000	2,084,800	2,057,600	2,053,500	2,011,700	2,004,700
Total Unemployment	180,000	186,100	199,400	196,400	182,300	170,200	173,600	193,900	175,100	155,400	164,000	179,700	183,900
Percent of Labor Force	8.2	8.8	9.4	9.1	8.4	7.7	7.8	8.4	7.7	7.0	7.4	8.2	8.4
1985													
Civilian Labor Force	2,091,000	2,039,600	2,042,100	2,049,400	2,069,800	2,086,900	2,100,500	2,143,200	2,134,800	2,105,000	2,118,300	2,109,000	2,093,400
Total Employment	1,921,000	1,839,700	1,848,300	1,866,900	1,900,600	1,916,500	1,926,800	1,970,900	1,974,400	1,955,700	1,969,400	1,952,600	1,930,200
Total Unemployment	170,000	199,900	193,800	182,500	169,200	170,400	173,700	172,300	160,400	149,300	148,900	156,400	163,200
Percent of Labor Force	8.1	9.8	9.5	8.9	8.2	8.2	8.3	8.0	7.5	7.1	7.0	7.4	7.8
1984													
Civilian Labor Force	2,051,000	2,022,100	2,036,800	2,041,100	2,033,700	2,041,700	2,070,700	2,109,100	2,084,200	2,048,200	2,055,400	2,032,400	2,036,600
Total Employment	1,857,000	1,786,700	1,807,500	1,824,900	1,831,700	1,849,500	1,879,700	1,916,300	1,909,200	1,880,100	1,886,300	1,857,300	1,854,900
Total Unemployment	194,000	235,400	229,300	216,200	202,000	192,200	191,000	192,800	175,000	168,100	169,100	175,100	181,700
Percent of Labor Force	9.5	11.6	11.3	10.6	9.9	9.4	9.2	9.1	8.4	8.2	8.2	8.6	8.9
1983													
Civilian Labor Force	2,069,000	2,022,100	2,029,700	2,040,900	2,046,100	2,049,100	2,116,100	2,138,200	2,111,600	2,087,100	2,085,400	2,061,300	2,040,400
Total Employment	1,838,000	1,752,200	1,762,400	1,782,000	1,799,900	1,821,200	1,872,800	1,903,100	1,894,200	1,887,600	1,885,500	1,860,300	1,834,800
Total Unemployment	231,000	269,900	267,300	258,900	246,200	227,900	243,300	235,100	217,400	199,500	199,900	201,000	205,600
Percent of Labor Force	11.2	13.3	13.2	12.7	12.0	11.1	11.5	11.0	10.3	9.6	9.6	9.8	10.1

[1] Prepared in cooperation with the Bureau of Labor Statistics. Monthly data for all years were revised using new Bureau of Labor Statistics methodology introduced in January 1989.

[2] Data for 1988, 1989, and 1990 were revised in March 1991 incorporating updated information on industry employment.

Note: Detail may not add or divide due to rounding.

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Highlights

Less Bang For The Buck

Washington's economy turned tepid in March. Unemployment failed to budge at a time when the rate ought to be dropping and job additions over the month held to a fraction of the normal seasonal uptick. In terms of economic activity, the combination made March look more like February, when weather acts as a major constraint. As it turned out, the weather turned typically mild after one of the most severe winters in recent memory. One would have suspected, given the circumstances, that the rebound coming into spring might have been stronger than usual. Not so. A slowing economy has now reached the point where even the normal swing of things is being affected. And the outlook is for more of the same in the months ahead.

The state Forecast Council is projecting very flat second and third quarters before wage and salary employment begins rising again in the fourth quarter. The underlying assumption is that the national economy will turn up starting in the second quarter. In the interim, Washington's economy proceeds to track higher than the national average, but at progressively lower rates of growth.

One of the principal insulating factors to date has been the continued strength in construction. Housing, indeed, has slowed from the whirlwind buildup of 1988-89. But greater remodeling and commercial construction has more than made up the difference. Total employment in the industry expanded at double-digits and broke all-time records in each of the past two years. However, the latest month showed virtually no seasonal uptick at a time when payrolls should be mounting sharply. This marked the first hint that the growth in construction may be starting to wane.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate held steady at 6.9 percent in March - the first time since the 1975 recession that the rate did not fall over the month. Seasonal improvements typically boost the area economy beginning in early spring. The uptick this year, however, proved less than required to put a significant dent in the overall jobless rolls. Construction, services, and trade all mounted over the month. But the pace was decisively less than posted in recent years. The result pushed Washington's unemployment rate well above the prior year's 5.2 percent and closed in on the national average at 7.1 percent for March.

Jobless comparisons between the state and the nation turned favorable starting early last year. Washington's rate of unemployed, as a percent of the civilian workforce, dropped below that of the nation as whole for the first time since late 1968 beginning in March. At the seasonal peak in the third quarter, the difference between the state and the nation measured close to one-and-a-half percentage points.

Both the magnitude and the duration of the shift are unprecedented. Normally, even in the best of times, Washington's jobless rate tracks slightly above the national average owing to a high concentration of seasonal industries.

But the recession has largely skirted the Pacific Northwest. For the most part, whatever impacts have come out of the national recession have been relatively isolated, and offsetting growth has more than made up the difference. The state economy continues to hold its own against a national backdrop which has progressively weakened since the first quarter of 1990. While the pace has definitely slowed from the extraordinary buildup of the recent past, there is little doubt but that the state will show fairly normal seasonal expansion over the balance of this year.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Mar 1991 *Preliminary*	Feb 1991 *Revised*	Mar 1990
Resident Civilian Labor Force	2,485,600	2,501,900	2,520,000
Employment	2,313,300	2,329,600	2,389,000
Unemployment	172,300	172,300	131,000
Unemployment Rate	6.9%	6.9%	5.2%
National Unemployment Rate	7.1%	7.2%	5.4%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's nonfarm wage and salary employment heightened by 13,300 workers in March. The gains were purely seasonal in nature led by typical expansion in trade (+3,800) and services (+3,700). Retailing was boosted significantly over the month at eating and drinking establishments (+2,400) but trimmed back through determined cost cutting at general merchandise (-400) and area food stores (-400). Staffing and hours have both been cut as a means of paring back overhead costs. Meanwhile, health services (+1,000) and local government payrolls (+2,300) proceeded to build in the latest month in response to continued strong population growth in the state's major metropolitan areas.

In contrast, the goods-producing sectors showed practically no change. Construction inched up by 1,200 at a time when something on the order of 5,000 could reasonably be expected. Neither general building nor heavy construction pulled forward; the only significant strength rested among special trade contractors engaged in a variety of new and remodeling projects. Similarly, manufacturing held flat for the second consecutive month and fell in March on a seasonally adjusted basis.

More Here, Less There

Offsets in manufacturing have become the order of the day. Payrolls in aerospace and forest products - the state's two largest goods-producing sectors - held firm in March. But gains in food processing (+300) were countered over the month by losses in other transportation equipment (-200) and petroleum, coal, and plastics products (-100). The result netted the goods-producing sector little change. On balance, this follows very much in line with the same sort of pattern that has persisted in manufacturing since the beginning of the year after a runup of 33 percent from 1983 to 1990.

Noticeably absent currently is any significant movement in aerospace employment. The fact that payrolls in this highly visible industry have essentially stabilized over the past three months tends to drive home the month-to-month changes occurring elsewhere in the economy. For the most part, the give and take of seasonal factors predominantly captures the limelight at this time of year.

Beyond normal seasonal patterns, however, rests a mix of market strengths and weaknesses. Aerospace is running full tilt with sales in hand stretching out for years and a new generation aircraft moving rapidly toward production. Recent award of the coveted Advanced Tactical Fighter (ATF) contract to a team led by Lockheed, which includes Boeing, promises to make some headway in turning the military portion of the business around. Sales of machinery and instruments continue strong, particularly overseas. But high-ticket pleasure boat manufacturing is hurting. And lumber and wood products shows the dual impact of lower housing starts and emerging timber supply issues.

Lighter Hand In Services And Trade

Meanwhile, services and trade continue to pace the economy. Close to two-thirds of the state's total job growth over the past 12 months has come solely within these two sectors. Business services and health services, in particular, stand out. Also leading is growth at eating and drinking establishments. Higher population and per capita income within the state's largest major metropolitan areas serve as principal driving factors. In addition, phenomenal success in computer software has been another regional plus.

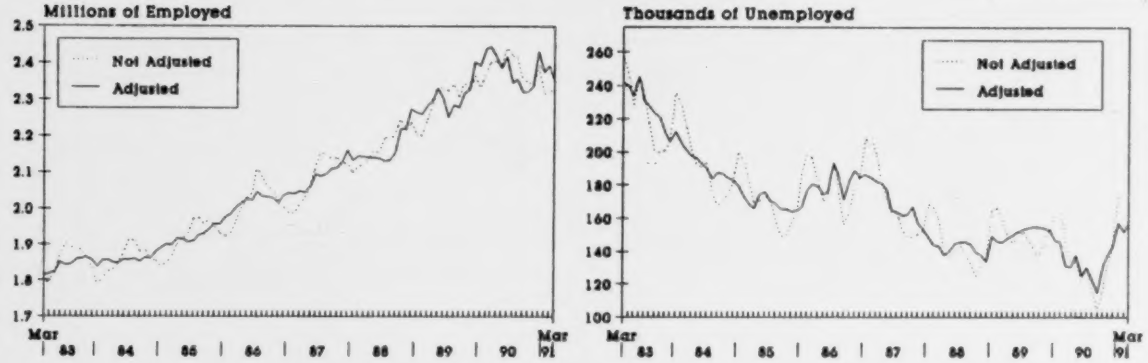
But the rate of job expansion, even in these seemingly strong sectors, has eased. Services and trade heightened in March by 3,700 and 3,800 workers, respectively. The same month a year ago saw job increases of better than twice that number. As a result, both sectors fell over the month when adjusted for normal seasonal variation. While the state economy shows none of the standard strains of recession, there can be no question but that the state's robust business cycle has finally passed its peak.

12-Month Pace Brought Back To The Norm

Over the year, Washington's nonfarm wage and salary employment level was up 61,600 workers in March. The rate of increase measured 2.9 percent - roughly equivalent to the state's long-run postwar average of 2.8 percent annually since 1947. Indeed, the pace remains respectable from a historical standpoint. And, moreover, contrasts sharply with a 0.7 percent *decline* nationally over the same time period. At issue is the fact that the pace has been halved over the past 12 months from a 6.0 percent spread a year ago.

The margin continues strong in construction (+6,000), trade (+8,700), and services (+30,500). Payroll additions have accelerated in local government (+13,800), primarily in response to greater demand for municipal services coming out of recent past growth in the metropolitan areas' economies. Manufacturing, on the other hand, has scaled back by 6,500 workers over the past year. Basically, all of the shortfall rests in transportation equipment (-5,200) and lumber and wood products (-1,700). The rest of manufacturing has held firm.

Washington State Total Resident Employment and Unemployment
March 1983 - March 1991



Source: Employment Security Department

AREA TRENDS

Atypical Metro Call

Washington's unemployment rate held atypically steady in March owing to a slack seasonal pattern in the metropolitan economies and scant movement in the logging and timber-dependent areas. Joblessness in four of the state's nine designated metropolitan areas (Bremerton, Seattle, Tacoma, and Vancouver) inched higher over the month at a time when seasonal factors alone would have dictated some improvement.

All urban areas averaged 6.3 percent in March, up from 6.2 percent in February and a low of 4.6 percent a year before. The range varied from a high of 14.1 percent in the Franklin County portion of the Tri-Cities and 13.9 percent in Yakima County - the state's two agriculturally-dependent MSAs - to 4.9 percent in greater urbanized King County. Understandably, much of the state's overall slowdown in job growth over the past year has centered in the larger metropolitan areas, which conversely generated most of the upward momentum through the late-1980s.

Better Bet On The Farm

Meanwhile, unemployment in the resource-based economies moved lower in March. Gains in agriculture pulled down joblessness in eastern Washington from 10.5 percent to 9.9 percent over the month. Particularly affected were Grant County (a drop from 14.4 percent to 12.4 percent), Adams County (from 16.5 percent to 11.1 percent), and Lincoln County (from 7.7 percent to 6.7 percent) with replanting of wheat in the aftermath of heavy winterkill.

On the other hand, practically no change occurred in the state's logging and lumbering areas. Unemployment held at 11.0 percent in March, off only two-tenths of a percentage point from February. Something on the order of a full two to three percentage point drop would normally be expected for the period. But slack demand coming out of the national recession has constrained Douglas Fir lumber production to 80 percent of last year's level through the first quarter. And logging proceeds under the guise of reduced timber harvests.

Unemployment Rates by Geographic Areas
State of Washington
(percent of the civilian labor force)

Areas	Mar 1991	Feb 1991	Mar 1990
Washington State Total	6.9	6.9	5.2
Metropolitan Areas	6.3	6.2	4.6
Log & Lumber Areas	11.0	11.2	8.7
All Western WA Areas	6.1	5.9	4.4
All Eastern WA Areas	9.9	10.5	8.2

Source: Employment Security Department

INDUSTRY NOTES

Boeing's Fighter Wins Big

A team consisting of Boeing/Lockheed/and General Dynamics has won the coveted Air Force contract to produce the nation's next generation of military jet fighters. The payoff for Boeing will be 3,000 jobs in the Seattle area by the mid-1990s and $30 billion in added defense revenue over the next 15 to 20 years. Rollout would begin in 1996. Winning the award should prove a shot in the arm to Boeing's embattered defense business, which has suffered a 10 percent employment cut to 45,000 workers over the past year.

More Acreage Sought For The Owl

The U.S Fish and Wildlife Service has proposed plans to curb logging on 11.6 million acres of timberland in the Pacific Northwest to protect habitat of the northern spotted owl. Washington's share is 3.3 million acres. Plans will not be finalized until year-end after due process for public comment and assessment. Not only federal lands but some portions of state and private land as well would be affected under the critical habitat proposal. Employment Security analysts had initially estimated the direct job loss to Washington from the less restrictive Jack Ward Thomas habitat protection plan to be anywhere between 6,900 and 7,800 lumber and wood product workers.

Cheney's Hit List Hits Washington

Whidbey Island Naval Air Station at Oak Harbor and Sand Point Naval Air Station in Seattle were both recommended for closure under Secretary of Defense Richard Cheney's latest proposal for cutting military spending. In all, 31 major domestic military bases and 12 minor installations would be shutdown and 28 others would be realigned under the plan. Net gain was estimated at $850 million.

Loss due to closure of Whidbey NAS is estimated at 31,000 people, including 8,700 military personnel and 1,850 civilians currently employed on the base, 1,000 military retirees living in the area, and 19,400 dependents. Island County's population would drop immediately by 45 percent with further outmigration over time as teachers and other public sector professionals exit. Total county personal income would be scaled back initially by a third.

NATIONAL INDICATORS

First Quarter Continues To Slide

The U.S. economy fell at a 2.6 percent annual rate in the first quarter with continued weakness in every sector except foreign trade. Gross National Product posted a second consecutive quarterly decline after a 1.6 percent drop in the fourth quarter, thereby officially marking the first recession since 1981-82. As a sign of deepening impact, after-tax corporate profits of U.S. corporations fell 5.6 percent in the first quarter - the biggest setback for earnings since the third quarter of 1989. Moreover, government is not set to stimulate the economy. Government spending at all levels shrunk at an annual rate of 3.2 percent in the first three months, reflecting last year's federal deficit reduction plan and constrained conditions of state and local government units throughout the nation.

But Some Signs Of Life Are Appearing

Industrial production and new home building both fell in March. But the slide was less severe than previous months, giving a hint that the worst may be over. Output of the nation's factories, mines, and utilities fell 0.3 percent in March - the smallest of any of the five previous monthly declines. Similarly, the Commerce Department reported that housing starts fell at a 9.3 percent annual rate after a 17.2 percent increase in February. Analysts generally believe that January marked the bottom of the year-long slide in national housing construction. Building permits for future construction turned up at a 2.4 percent rate in March and stood significantly above the January low.

Future Gauge Looking Better

Meanwhile, the government's index of leading indicators edged higher in March for the second consecutive month. This precursor of future economic trend rose a modest 0.5 percent in the latest month, largely on a burst of consumer optimism. Consumer expectations soared as a result of the end of the Persian Gulf war, and money supply increased due to the further easing of monetary policy. Holding back the advance were lower orders for manufactured goods and higher unemployment benefit claims. The indicators generally point to a modest recovery beginning in the third quarter.

While Prices Remain Under Wraps

Consumer prices fell in March for the first time in five years. The Labor Department's consumer price index dropped 0.1 percent over the month, largely because of a 2.6 percent decline in energy prices. Excluding the volatile food and energy components, prices at the consumer level inched up 0.1 percent from February - the smallest increase since December 1982. Modest movement on the price front has lessened pressure on the Federal Reserve to shift to a more restrictive monetary stance.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Mar 91 135.0	Feb 91 134.8	Mar 90 128.7	Feb 91 -0.1%	Mar 90 4.9%
Seattle†	Jul-Dec 1990 129.4	Jul-Dec 1989 119.6		Jul-Dec 1990 8.2%	

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Mar 1991 (Prel)	Feb 1991 (Rev)	Mar 1990 (Rev)	Feb 1990 (Rev)	Numeric Change Feb 1991 to Mar 1991	Numeric Change Mar 1990 to Mar 1991
Total Nonagricultural Wage & Salary	2,169.7	2,156.4	2,108.1	2,083.3	13.3	61.6
Manufacturing	360.4	359.8	366.9	364.7	0.6	-6.5
Durable Goods	254.6	254.5	262.3	261.4	0.1	-7.7
Lumber & Wood Products	37.7	37.7	39.4	39.2	0.0	-1.7
Logging	9.2	9.3	8.7	8.9	-0.1	0.5
Sawmills & Plywood	24.8	24.7	27.1	26.9	0.1	-2.3
Furniture & Fixtures	3.9	3.9	4.0	4.0	0.0	-0.1
Stone, Clay, & Glass	7.5	7.3	7.4	7.0	0.2	0.1
Primary Metals	12.5	12.5	13.0	13.0	0.0	-0.5
Aluminum	8.9	8.9	8.8	8.8	0.0	0.1
Fabricated Metals	12.2	12.2	11.9	11.8	0.0	0.3
Industrial Machinery & Equipment	20.1	20.1	20.2	20.2	0.0	-0.1
Computer & Office Equipment	6.4	6.4	6.2	6.3	0.0	0.2
Electronic & Other Electrical Equipment	11.7	11.7	11.4	11.3	0.0	0.3
Transportation Equipment	128.6	128.8	133.8	133.8	-0.2	-5.2
Aircraft & Parts	116.0	116.0	117.8	118.1	0.0	-1.8
Instruments & Related	13.7	13.6	15.1	15.1	0.1	-1.4
Miscellaneous Manufacturing	6.7	6.7	6.1	6.0	0.0	0.6
Nondurable Goods	105.8	105.3	104.6	103.3	0.5	1.2
Food & Kindred Products	35.0	34.7	34.9	34.5	0.3	0.1
Preserved Fruits & Vegetables	10.4	10.4	11.2	11.1	0.0	-0.8
Textiles, Apparel, & Leather	8.0	7.9	7.6	7.4	0.1	0.4
Paper & Allied Products	17.8	17.8	18.1	17.9	0.0	-0.3
Printing & Publishing	22.6	22.5	22.4	22.1	0.1	0.2
Chemicals & Allied Products	13.6	13.5	13.0	13.0	0.1	0.6
Petroleum, Coal, Plastics	8.8	8.9	8.6	8.4	-0.1	0.2
Mining & Quarrying	3.5	3.5	3.6	3.5	0.0	-0.1
Construction	114.9	113.7	108.9	102.1	1.2	6.0
General Building Contractors	33.6	33.6	32.9	31.1	0.0	0.7
Heavy Construction, ex. Buildings	14.6	14.4	14.2	12.9	0.2	0.4
Special Trade Contractors	66.7	65.7	61.8	58.1	1.0	4.9
Transportation, Communications, & Utilities	114.5	114.1	110.7	109.9	0.4	3.8
Transportation	79.4	79.2	76.1	74.8	0.2	3.3
Trucking & Warehousing	32.6	32.5	29.9	29.3	0.1	2.7
Water Transportation	9.4	9.5	9.0	8.7	-0.1	0.4
Transportation by Air	15.3	15.3	15.5	15.3	0.0	-0.2
Communications	25.2	25.1	25.2	25.8	0.1	0.0
Electric, Gas, & Sanitary Services	9.9	9.8	9.4	9.3	0.1	0.5
Wholesale & Retail Trade	514.5	510.7	505.8	498.2	3.8	8.7
Wholesale Trade	128.9	127.8	125.7	123.8	1.1	3.2
Retail Trade	385.6	382.9	380.1	374.4	2.7	5.5
General Merchandise	35.8	36.2	38.1	38.5	-0.4	-2.3
Food Stores	64.3	64.7	61.8	60.8	-0.4	2.5
Eating & Drinking	143.7	141.3	137.9	135.0	2.4	5.8
Finance, Insurance, & Real Estate	117.8	117.3	115.3	114.5	0.5	2.5
Finance	51.0	50.9	51.5	51.3	0.1	-0.5
Services	529.4	525.7	498.9	490.0	3.7	30.5
Hotels & Lodging	25.4	25.1	23.6	23.0	0.3	1.8
Personal Services	22.4	22.1	22.1	21.5	0.3	0.3
Business Services	87.3	86.7	81.5	79.5	0.6	5.8
Health Services	154.2	153.2	145.2	144.0	1.0	9.0
Educational Services	25.2	24.8	24.0	23.6	0.4	1.2
Social Services	36.4	36.0	33.1	32.6	0.4	3.3
Engineering & Management Services	47.8	47.8	45.2	44.5	0.0	2.6
Government	414.7	411.6	398.0	400.4	3.1	16.7
Federal	71.1	70.9	73.8	72.8	0.2	-2.7
State	122.4	121.8	116.8	116.1	0.6	5.6
State Education	64.8	64.4	62.9	62.3	0.4	1.9
Local	221.2	218.9	207.4	211.5	2.3	13.8
Local Education	121.8	120.3	113.6	113.1	1.5	8.2
Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

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[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Washington State
Employment Security Department
Labor Market and Economic Analysis

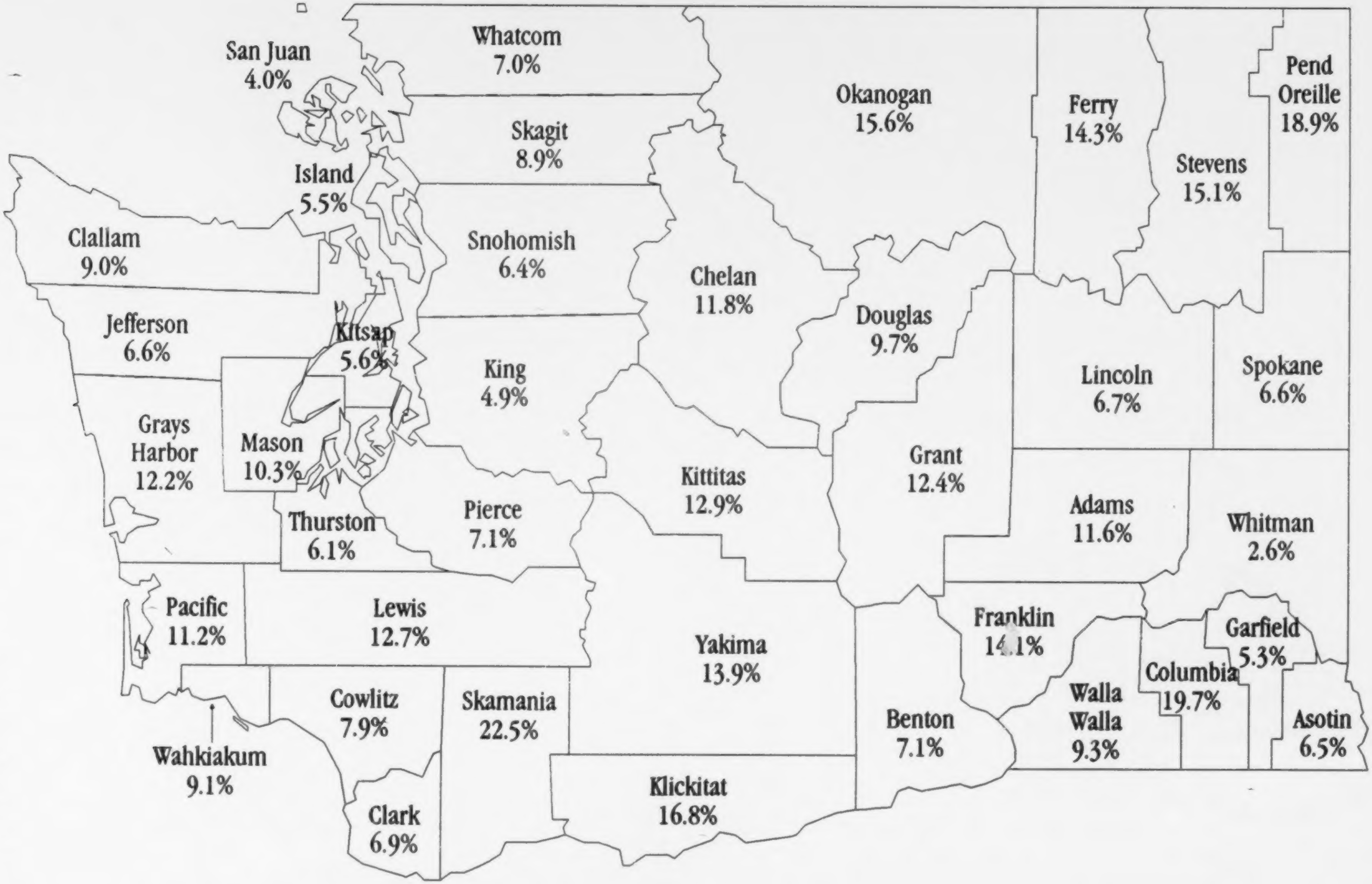
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 4/30/91
Benchmark: 1990

	March 1991 Preliminary†				February 1991 Revised†				March 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,485,600	2,313,300	172,300	6.9	2,501,900	2,329,600	172,300	6.9	2,520,000	2,389,000	131,000	5.2
Bellingham MSA	68,700	63,900	4,800	7.0	69,300	64,200	5,100	7.4	67,000	63,400	3,600	5.4
Bremerton MSA	83,500	78,800	4,700	5.6	83,400	79,000	4,400	5.3	84,400	80,900	3,500	4.1
Olympia MSA	84,900	79,700	5,200	6.1	85,000	79,800	5,200	6.1	84,700	80,500	4,200	5.0
Seattle PMSA	1,117,600	1,059,700	57,900	5.2	1,133,400	1,078,700	54,700	4.8	1,143,900	1,103,300	40,600	3.5
King County‡	880,000	837,200	42,800	4.9	892,800	852,300	40,500	4.5	902,600	871,700	30,900	3.4
Snohomish County‡	237,500	222,400	15,100	6.4	240,600	226,400	14,200	5.9	241,300	231,600	9,700	4.0
Spokane MSA	170,200	158,900	11,300	6.6	173,500	160,700	12,800	7.4	173,600	163,600	10,000	5.8
Tacoma PMSA	250,400	232,700	17,700	7.1	251,400	233,900	17,500	7.0	258,300	245,700	12,600	4.9
Tri-Cities MSA	73,500	67,100	6,400	8.7	73,000	65,900	7,100	9.7	73,300	68,000	5,300	7.2
Benton County‡	56,500	52,500	4,000	7.1	55,800	51,600	4,200	7.5	56,500	53,300	3,200	5.7
Franklin County‡	17,000	14,600	2,400	14.1	17,200	14,300	2,900	16.9	16,800	14,800	2,000	11.9
Vancouver PMSA	130,200	121,200	9,000	6.9	129,300	120,900	8,400	6.5	127,300	120,900	6,400	5.0
Yakima MSA	97,200	83,700	13,500	13.9	95,800	81,800	14,000	14.6	98,100	86,200	11,900	12.1
Adams	7,440	6,580	860	11.6	7,590	6,340	1,250	16.5	6,820	6,020	800	11.7
Asotin	9,590	8,970	620	6.5	9,610	8,930	680	7.1	9,270	8,840	430	4.6
Clallam	24,030	21,860	2,170	9.0	23,710	21,450	2,260	9.5	24,880	23,070	1,810	7.3
Columbia	1,470	1,180	290	19.7	1,450	1,200	250	17.2	1,750	1,500	250	14.3
Cowlitz	38,710	35,640	3,070	7.9	38,950	35,850	3,100	8.0	38,940	36,120	2,820	7.2
Ferry	3,280	2,810	470	14.3	3,310	2,860	450	13.6	3,280	2,830	450	13.7
Garfield	950	900	50	5.3	960	900	60	6.3	1,020	980	40	3.9
Grant	26,450	23,170	3,280	12.4	26,020	22,270	3,750	14.4	25,840	23,490	2,350	9.1
Grays Harbor	27,460	24,100	3,360	12.2	27,820	24,510	3,310	11.9	26,700	24,150	2,550	9.6
Island	21,580	20,390	1,190	5.5	21,570	20,390	1,180	5.5	21,730	20,860	870	4.0
Jefferson	8,750	8,170	580	6.6	8,530	7,890	640	7.5	9,080	8,630	450	5.0
Kittitas	13,050	11,370	1,680	12.9	13,020	11,420	1,600	12.3	13,490	12,370	1,120	8.3
Klickitat	7,540	6,270	1,270	16.8	7,550	6,130	1,420	18.8	7,880	6,630	1,250	15.9
Lewis	24,430	21,320	3,110	12.7	24,420	21,470	2,950	12.1	25,630	23,530	2,100	8.2
Lincoln	4,150	3,870	280	6.7	4,160	3,840	320	7.7	4,360	4,160	200	4.6
Mason	15,190	13,620	1,570	10.3	14,790	13,380	1,410	9.5	14,250	13,310	940	6.6
Okanogan	17,570	14,830	2,740	15.6	17,530	14,810	2,720	15.5	16,960	14,820	2,140	12.6
Pacific	7,420	6,590	830	11.2	7,310	6,440	870	11.9	7,740	7,070	670	8.7
Pend Oreille	3,330	2,700	630	18.9	3,350	2,750	600	17.9	3,490	2,970	520	14.9
San Juan	5,700	5,470	230	4.0	5,460	5,200	260	4.8	5,530	5,340	190	3.4
Skagit	41,260	37,600	3,660	8.9	40,230	36,210	4,020	10.0	39,020	36,150	2,870	7.4
Skamania	2,180	1,690	490	22.5	2,300	1,690	610	26.5	2,250	1,800	450	20.0
Stevens	11,650	9,890	1,760	15.1	11,590	9,870	1,720	14.8	12,180	10,710	1,470	12.1
Wahkiakum	1,210	1,100	110	9.1	1,180	1,070	110	9.3	1,330	1,220	110	8.3
Walla Walla	23,550	21,350	2,200	9.3	23,770	21,480	2,290	9.6	23,870	21,980	1,890	7.9
Wenatchee Labor Area	42,640	37,910	4,730	11.1	42,660	37,900	4,760	11.2	42,330	38,580	3,750	8.9
Chelan County‡	28,480	25,130	3,350	11.8	28,470	25,120	3,350	11.8	28,270	25,580	2,690	9.5
Douglas County‡	14,160	12,780	1,380	9.7	14,190	12,770	1,420	10.0	14,060	13,000	1,060	7.5
Whitman	18,920	18,430	490	2.6	19,040	18,510	530	2.8	19,820	19,440	380	1.9

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

March 1991 Unemployment Rates
State of Washington = 6.9%


San Juan 4.0%
Whatcom 7.0%
Skagit 8.9%
Okanogan 15.6%
Ferry 14.3%
Pend Oreille 18.9%
Stevens 15.1%
Island 5.5%
Clallam 9.0%
Snohomish 6.4%
Chelan 11.8%
Douglas 9.7%
Jefferson 6.6%
Kitsap 5.6%
King 4.9%
Lincoln 6.7%
Spokane 6.6%
Grays Harbor 12.2%
Mason 10.3%
Kittitas 12.9%
Grant 12.4%
Adams 11.6%
Thurston 6.1%
Pierce 7.1%
Whitman 2.6%
Pacific 11.2%
Lewis 12.7%
Yakima 13.9%
Franklin 14.1%
Garfield 5.3%
Columbia 19.7%
Walla Walla 9.3%
Asotin 6.5%
Cowlitz 7.9%
Skamania 22.5%
Benton 7.1%
Wahkiakum 9.1%
Klickitat 16.8%
Clark 6.9%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary March Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Mar 91	Feb 91	Mar 90	Mar 91	Feb 91	Mar 90	Mar 91	Feb 91	Mar 90
TOTAL MANUFACTURING INDUSTRIES[1]	210,056	$533.60	$526.78	$513.48	40.0	39.4	40.4	$13.34	$13.37	$12.71
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31,243	$459.02	$443.08	$433.22	38.9	38.0	39.6	$11.80	$11.66	$10.94
Primary Metal Industries	9,883	$601.87	$588.51	$568.96	43.3	42.4	43.3	$13.90	$13.88	$13.14
Fabricated Metal Products	9,800	$527.67	$521.02	$492.87	41.0	40.8	40.3	$12.87	$12.77	$12.23
Machinery	19,993	$432.30	$431.51	$428.79	39.3	39.3	40.3	$11.00	$10.98	$10.64
Food and Kindred Products	24,052	$382.62	$368.93	$372.74	38.3	36.6	37.2	$9.99	$10.08	$10.02
Chemical and Allied Products	4,735	$710.44	$664.99	$642.45	43.8	42.6	42.1	$16.22	$15.61	$15.26
Transportation Equipment	56,577	$688.84	$685.17	$648.55	41.9	41.3	42.5	$16.44	$16.59	$15.26
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	85,010	$659.09	$638.57	$623.61	36.8	36.2	36.9	$17.91	$17.64	$16.90
Wholesale and Retail Trade (Includes eating and drinking establishments)	455,809	$286.12	$285.19	$278.[illegible]6	30.7	30.6	30.6	$9.32	$9.32	$9.10

[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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Washington State
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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

May 1991

Volume 15, Number 5

Highlights

Add A Pinch Of Sun And Whamo!

Washington's economy swelled with the season in April. Warmer weather prompted big gains in agriculture, construction, and trade as each mounted toward their respective springtime highs. Temperatures were a bit cooler and precipitation a bit greater than usual for this time of year. But, the fact that outdoor activity could begin in earnest drove seasonal industries higher despite some lingering dampening effects. A slower economy than a year ago kept a lid on the amount of expansion over the month, however. And total nonfarm employment on a seasonally adjusted basis actually fell slightly for the second month in a row.

It appears that Washington's employment expansion which began in November 1982 probably peaked in February of this year. Growth over the 100-month period effectively boosted statewide nonfarm employment by 42 percent or nearly 650,000 jobs. Prior expansions in both the late-1960s and again in the late-1970s each netted a significant but lesser 33 percent gain owing to progress over a somewhat briefer time frame. In all likelihood the state will show little other than seasonal change from hereon out until the economy once again picks up steam probably late in the second half.

In the interim, one can count on the usual swing of 30,000 to 40,000 workers between April and June. A normal runup in agriculture and food processing, services, and trade can reasonably be expected. But softer demand will constrain both lumber and wood products and parts of construction over the period. At the same time, the state's unemployment rate should be steadily trending downward although not sufficient to eclipse a continuing higher-than-year-before margin.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate dropped seasonally from a high of 7.1 percent in March to 6.3 percent in April. The pattern was typical for the time of year when warmer weather traditionally boosts activity throughout the state's economy. Somewhat more restrained job growth over the past 12 months, however, pushed unemployment well above the prior-year low of 4.7 percent. And the state converged upon the national average at 6.5 percent for April after trailing more than half a percentage point throughout 1990.

Basically, the state's unemployment setting to date has been running parallel to that of 1988-89. Up until last year, that level of performance marked the culmination of an economic expansion which had successfully halved the state's jobless rate in little less than six years. Then came 1990. Unemployment dropped to levels not seen since the "Boeing Boom" of the late-1960s as further growth in the economy added upward pressure to an already tight labor market. But an easing in the rate of job growth beginning in the second quarter acted as pressure release to draw in some slack. And out of this has come a return to respectable but no longer record low unemployment readings throughout the state.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Apr 1991 *Preliminary*	Mar 1991 *Revised*	Apr 1990
Resident Civilian Labor Force	2,499,600	2,488,500	2,507,500
Employment	2,342,400	2,312,900	2,389,800
Unemployment	157,200	175,600	117,700
Unemployment Rate	6.3%	7.1%	4.7%
National Unemployment Rate	6.5%	7.1%	5.2%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's nonfarm wage and salary employment jumped by 14,900 workers in April. The month-to-month expansion was expectedly broad-based given that a large seasonal upturn normally occurs throughout the economy at this time of year. In particular, construction mounted by 4,100 jobs mostly on the strength of greater highway and road work. Building construction, both housing and non-residential, stayed essentially flat. Services (+2,000) and trade (+2,400), on the other hand, both added staff to meet seasonally higher levels of overall business and household demand.

Barring seasonal factors, however, retail trade payrolls have gone nowhere since the first of the year after increasing at a 4.5 percent compound annual rate of growth from 1985 to 1990. Moreover, employment (seasonally adjusted) actually dropped 2,300 in April. Retailers are moving cautiously in what appears to be an uncertain market as consumer confidence ebbs and flows. In addition, some major restructuring in general merchandising has pushed employment 2,700 below a year-ago in the latest month.

Playing Cat And Mouse

Interestingly, some offset is coming in local government - both education and general administration. The fact that the public sector is building at a time when the economy has slowed can be traced to the lag between cause and effect. Statewide population built up over the past couple years at rates more than double that of the early-1980s and two-to-three times greater than the national average. This influx of residents has spurred the need for additional local area services which take time to put in place. In response, local government employment picked up speed in 1991, up 800 in April and 13,200 over the past 12 months.

Likewise, portions of services tend to react with a time lapse. Those sectors keyed specifically to business have indeed slowed, and overall month-to-month movements are proving less volatile than a year ago. However, significant strength remains. All the major industrial classifications within this sector added workers in April. Business services (+300) and health providers (+900) were particularly strong, as has been the case ever since the expansion began in the mid-1980s. Over the past year, some 26,000 service workers have been added to the state economy - little changed from the average of the past five years and accounting for close to half the state's total nonfarm 12-month job increase. A year ago the proportion was roughly a third.

Picking Up The Pace

Manufacturing turned up by 3,700 workers in April. The big resource-based industries of lumber and wood products (+700) and food processing (+2,300) accounted for most of the gain as both advanced seasonally with the onset of milder weather. Recession has dropped employment below the prior year in lumber and wood products (-1,600) as well as pulp and paper production (-200). But food processing was up 1,700 workers on average in 1990 and measured 600 higher than a year ago in April.

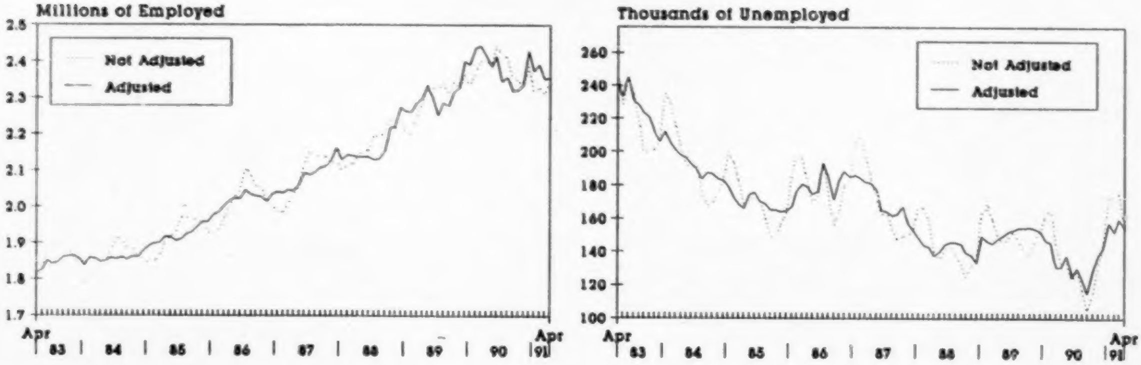
Additionally, both aerospace and other transportation equipment manufacturing showed renewed life in the latest month. Aerospace added 300 workers - the first increase for the year-to-date. Basically, aerospace payrolls in Washington have held firm since January rather than drifting lower toward a 2,000 net reduction for the year as originally anticipated by Boeing. A steady-to- rising trend certainly generates greater positive impact on the Central Puget Sound.

Meanwhile, other transportation equipment also turned up 300 workers. Boatbuilding in particular has been depressed in 1991 by the dual cuts of recession and federal luxury tax add-ons. The combination has pulled employment in shipbuilding and boatbuilding down by nearly a third over the past 16 months. Some return-to-work of temporarily furloughed workers occurred in April. However, the basic elements of supply and demand will not be altered until the national economy picks up speed.

Year-to-Year Tracks With The Pack

Over the year, Washington's nonfarm wage and salary employment was up 55,700 workers in April. The pace has eased from a 103,000 margin on average in 1990 and 113,000 for April-to-April a year ago. The pullback has been general throughout the economy but notably centered in construction (+4,200) and manufacturing (-3,800). Washington has not succumbed to recession thanks to the ongoing strength of regional and export markets. The only acknowledgement of the hurt nationally has been a slowing in the overall rate of change. The 2.6 percent April-to-April increase now measures close to the state's long-run historical average.

Washington State Total Resident Employment and Unemployment
April 1983 - April 1991



Source: Employment Security Department

AREA TRENDS

Metro Areas Pace The State

Unemployment in Washington's nine designated metropolitan areas dropped in tandem with the state in April. The average dipped from 6.4 percent to 5.8 percent overall for the month ranging from a low of 4.9 percent in Seattle to a high of 12.6 percent in Yakima. Movement over the month is typical for this time of year as the economies of each area generally shift into higher gear. However, job gains are uniformly less than a year ago. And the result has pushed area joblessness up one-and-a-half percentage points on average from a low of 4.3 percent in April last year.

To be sure, last year witnessed a tightness in the labor markets not seen since the late-1960s. But there was no practical means for that pattern to have continued for any extended length of time. An economy slows either because of a falloff in demand or inability to add sufficient capacity, thereby causing inflation to allocate available resources. Entry of the national economy into recession and, correspondingly, some pullback on the part of consumers locally has acted to return some slack to the economy in 1991.

Balance of Washington Lifted By The Season

Meanwhile, unemployment in the resource-based economies of both eastern and western Washington moved sharply lower in April. Beginning of the asparagus harvest boosted portions of central Washington and work-in-force continued throughout the balance of the state's farm sector. Joblessness east of the Cascades dropped from 10.1 percent to 8.7 percent on average over the month. Particularly affected were Grant County (from 12.1 percent to 9.7 percent), Walla Walla (from 9.6 percent to 8.0 percent), Columbia (from 20.3 percent to 12.4 percent), and Okanogan County (from 15.7 percent to 13.5 percent) as agriculture moved forward.

Likewise affected were the state's logging and lumber areas. Unemployment on average scaled back from 11.3 percent to 9.6 percent in April as seasonal activity in the woods mounted. Slower demand coming out of the national recession, however, succeeded in pushing area joblessness up nearly two percentage points from a year before. And the specter of reduced timber harvests continue to cloud the near-term outlook.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Apr 1991	Mar 1991	Apr 1990
Washington State Total	6.3	7.1	4.7
Metropolitan Areas	5.8	6.4	4.3
Log & Lumber Areas	9.6	11.3	7.5
All Western WA Areas	5.6	6.2	4.1
All Eastern WA Areas	8.7	10.1	6.9

Source: Employment Security Department

LEGISLATIVE WRAP UP

The 52nd Washington State legislature adjourned its regular session the end of April with three major labor bills enacted into law. As usual, a greater number of initiatives simply did not survive and undoubtedly will be reintroduced at a later date.

Prevailing Wage
As passed by the legislature, SSB 5383 permits state agencies to use an alternative method of meeting prevailing wage requirements for public works projects of $2,500 or less. The legislation also holds that statements of intent to pay prevailing wages can be submitted directly to contract agencies, which are then held liable to workers if the prevailing wage levels are not met.

Workers' Compensation
A study of premium obligations of contractors (HB 1244) and repeal of voluntary combined reporting (HB 1625) passed the legislature and were signed by the Governor. The legislature also revised the standards for determining coverage for independent contractors and corporate officers (SSB 5837) and established a labor-management cooperative program (SSB 5374).

Unemployment Insurance
The legislature extended unemployment insurance benefits to dislocated timber workers (SSB 5555). And also granted benefit

payment relief to employers who provide part-time jobs to current unemployment claimants (SHB 1739)

Dislocated Timber Workers
Two major pieces of legislation - ESSB 5555 (Human Services) and ESHB 1341 (Economic and Community Development) - addressed the situation facing forest products workers in Washington State. Both passed the legislature and were signed by the Governor.

ESSB 5555 assists dislocated timber workers in the following areas: training and retraining, higher education, basic health, mortgage and rental assistance, social and family services, and reemployment centers. Of special note is the training/retraining program which includes the following:

1. Subject to funding, the Employment Security Department is to provide training programs and other services keyed specifically to dislocated timber workers.

2. Additional unemployment insurance benefits are to be made available for unemployed workers in the 20 identified timber impact areas and unemployed forest products workers in all counties.

3. A forest products worker employment and career orientation program (or counter-cyclical program) will provide training and employment opportunities in services that enhance state lands and water resources.

4. A natural resource project will provide employment and training opportunities for dislocated forest products workers in fisheries, wildlife, and recreation work through June 30, 1996.

ESHB 1341 is designed to assist timber impact areas by providing economic assistance through: (a) value added wood products programs, (b) community assistance planning, technical services, and financial resources, (c) export assistance, and (d) efforts to enhance needed infrastructure.

Legislative Summary Compiled by
Gary Kamimura, Staff Economist

INDUSTRY NOTES

Boeing Expands North And South

Plans were recently announced by Boeing for a second aircraft plant in Pierce County - a $190 million facility to fabricate and assemble tail sections for the new 777 twinjet. Employment could total upwards of 11,000. Already underway is a 950,000 square foot plant that will employ 300 workers for wing spars and skin panel assembly. Boeing is proposing a phased development of 13 buildings and an electrical substation at the Frederickson site near Puyallup which would ultimately cover 4.5 million square feet - only slightly less than the planned expansion at the Everett site for construction of the 777 twinjet.

Refinery Upgrades On Hold

Initial plans for roughly $4 billion in refinements and 3,000 construction jobs at the state's four major oil refineries over the next five years are being scaled back. Work is proceeding on several major projects totalling between $250 million and $300 million and involving better than 400 construction workers. But uncertainty as to the business climate and the regulatory environment in particular has caused management to wait on additions keyed to newly reauthorized Clean Air Act provisions calling for more environmentally benign gasoline.

Whidbey Survives The Cut

The federal base-closing commission did an about-face and officially removed the Whidbey Island Naval Air Station at Oak Harbor from its recommended hit list. Cost of closure was re-estimated higher than originally projected. Had the proposal gone forward, direct population loss to the county was estimated at roughly 31,000, including 8,700 active military personnel.

At the same time, the transition of the 7th Infantry from Fort Ord to Fort Lewis was given the green light. Part of the 11,000 member light infantry division could begin arriving next year with full staffing by 1995. The shift is good news with phaseout of the 9th Motorized Division at Fort Lewis currently underway. The net addition will boost total manning at the Pierce County base from 16,000 to 23,000 over the next four years.

NATIONAL INDICATORS

A Stirring In The Midst

The nation's index of industrial production rose in April for the first time in seven months. Although the minuscule 0.1 percent uptick was too slight to signal a recovery, the turnaround gave at least a hint that the recession might be bottoming out. But the Federal Reserve also reported that manufacturing was running at 78 percent of capacity - the lowest since September 1983. At best, the prospect is for less contraction in the second quarter than the first quarter when real GNP fell at a 2.8 percent annual rate.

Big-Ticket Orders Also Spring To Life

As a further sign of "light at the end of the tunnel," orders for durable goods increased 2.9 percent in April - the first jump since December. New orders were up for all major industries with the single exception of transportation equipment. Large drops in aircraft and parts more than offset higher orders for motor vehicles and equipment. Orders for capital goods, a barometer of investment spending, remained soft with a 10.3 percent decline for the month.

Retail Sales Up And Down

Always subject to big revisions, retail sales were reported off 0.1 percent in April but strongly revised upward for March. Rather than a 0.8 percent drop as originally reported, March sales were shown up 0.4 percent. The increase followed a 2.2 percent spurt in February and gave hope that consumer spending might be stabilizing after plunging for two consecutive quarters. April's spending cuts centered at food stores and gasoline stations. Other spending was up.

Housing On A Gradual Upswing

Housing starts nationally rose 6.2 percent in April, signalling that the housing industry likely bottomed out in January and is slowing moving toward recovery. Starts were far short of last year at a seasonally adjusted annual rate of 957,000 units. But the abyss in January measured 847,000 - the lowest since the recession in 1982. Every region except the Northeast posted month-to-month gains. In addition, sales of existing homes rose in April for the third straight month buoyed by a favorable financial setting.

Points To A Summer Recovery

Meanwhile, the government's main economic barometer - the index of leading indicators - posted a broad 0.6 percent advance in April. This marked the third consecutive monthly advance of the composite data which logically point to a summer recovery. Most economists agree, however, that the upturn when it comes will be less than robust, held down by a lack of government stimulus and high levels of business and consumer debt.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Apr 91	Mar 91	Apr 90	Mar 91	Apr 90
	135.2	135.0	128.9	0.1%	4.9%
Seattle†	Jul-Dec 1990	Jul-Dec 1989		Jul-Dec 1989	
	129.4	119.6		8.2%	

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

					Numeric Change	
Industry	Apr 1991 (Prel)	Mar 1991 (Rev)	Apr 1990 (Rev)	Mar 1990 (Rev)	Mar 1991 to Apr 1991	Apr 1990 to Apr 1991
Total Nonagricultureal Wage & Salary	2,182.8	2,167.9	2,127.1	2,108.1	14.9	55.7
Manufacturing	363.8	360.1	367.6	366.9	3.7	-3.8
Durable Goods	255.5	254.1	261.0	262.3	1.4	-5.5
Lumber & Wood Products	38.4	37.7	40.0	39.4	0.7	-1.6
Logging	9.5	9.2	9.4	8.7	0.3	0.1
Sawmills & Plywood	25.1	24.8	27.0	27.1	0.3	-1.9
Furniture & Fixtures	4.0	3.9	4.0	4.0	0.1	0.0
Stone, Clay, & Glass	7.6	7.5	7.8	7.4	0.1	-0.2
Primary Metals	12.4	12.5	13.1	13.0	-0.1	-0.7
Aluminum	8.9	8.9	9.0	8.8	0.0	-0.1
Fabricated Metals	12.3	12.1	11.9	11.9	0.2	0.4
Industrial Machinery & Equipment	20.0	20.1	20.1	20.2	-0.1	-0.1
Computer & Office Equipment	6.4	6.5	6.1	6.2	-0.1	0.3
Electronic & Other Elect Equipment	11.5	11.5	11.4	11.4	0.0	0.1
Transportation Equipment	129.1	128.5	131.9	133.8	0.6	-2.8
Aircraft & Parts	116.3	116.0	116.7	117.8	0.3	-0.4
Instruments & Related	13.7	13.7	14.8	15.1	0.0	-1.1
Miscellaneous Manufacturing	6.5	6.6	6.0	6.1	-0.1	0.5
Nondurable Goods	108.3	106.0	106.6	104.6	2.3	1.7
Food & Kindred Products	37.3	35.0	36.7	34.9	2.3	0.6
Preserved Fruits & Vegetables	12.5	10.4	13.1	11.2	2.1	-0.6
Textiles, Apparel, & Leather	8.0	8.1	7.8	7.6	-0.1	0.2
Paper & Allied Products	17.8	17.9	18.0	18.1	-0.1	-0.2
Printing & Publishing	22.6	22.6	22.3	22.4	0.0	0.3
Chemicals & Allied Products	13.6	13.6	13.0	13.0	0.0	0.6
Petroleum, Coal, Plastics	9.0	8.8	8.8	8.6	0.2	0.2
Mining & Quarrying	3.6	3.5	3.7	3.6	0.1	-0.1
Construction	117.9	113.8	113.7	108.9	4.1	4.2
General Building Contractors	34.0	33.4	34.2	32.9	0.6	-0.2
Heavy Construction, ex. Buildings	16.8	14.6	15.9	14.2	2.2	0.9
Special Trade Contractors	67.2	65.8	63.6	61.8	1.4	3.6
Transportation, Comm., & Utilities	114.5	114.2	110.9	110.7	0.3	3.6
Transportation	79.6	79.2	76.5	76.1	0.4	3.1
Trucking and Warehousing	32.7	32.5	30.2	29.9	0.2	2.5
Water Transportation	9.5	9.4	9.1	9.0	0.1	0.4
Transportation by Air	15.4	15.3	15.6	15.5	0.1	-0.2
Communications	25.1	25.2	25.0	25.2	-0.1	0.1
Electric, Gas, and Sanitary Services	9.8	9.8	9.4	9.4	0.0	0.4
Wholesale & Retail Trade	517.3	514.9	510.8	505.8	2.4	6.5
Wholesale Trade	129.3	128.8	126.9	125.7	0.5	2.4
Retail Trade	388.0	386.1	383.9	380.1	1.9	4.1
General Merchandise	35.3	35.8	38.0	38.1	-0.5	-2.7
Food Stores	64.3	64.6	62.9	61.8	-0.3	1.4
Eating & Drinking	145.7	143.7	140.7	137.9	2.0	5.0
Finance, Insurance, & Real Estate	118.1	117.9	115.5	115.3	0.2	2.6
Finance	50.9	51.0	51.3	51.5	-0.1	-0.4
Services	530.2	528.2	504.2	498.9	2.0	26.0
Hotels & Lodging	25.7	25.4	24.5	23.6	0.3	1.2
Personal Services	22.3	22.2	21.8	22.1	0.1	0.5
Business Services	87.2	86.9	83.2	81.5	0.3	4.0
Health Services	155.2	154.3	145.9	145.2	0.9	9.3
Educational Services	25.2	25.1	24.1	24.0	0.1	1.1
Social Services	36.4	36.4	33.5	33.1	0.0	2.9
Engineering & Management Services	47.8	47.7	45.7	45.2	0.1	2.1
Government	417.4	415.3	400.7	398.0	2.1	16.7
Federal	72.1	71.2	75.2	73.8	0.9	-3.1
State	122.8	122.4	116.2	116.8	0.4	6.6
State Education	64.6	64.9	62.2	62.9	-0.3	2.4
Local	222.5	221.7	209.3	207.4	0.8	13.2
Local Education	121.9	121.9	114.1	113.6	0.0	7.8
Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Washington State
Employment Security Department
Labor Market and Economic Analysis

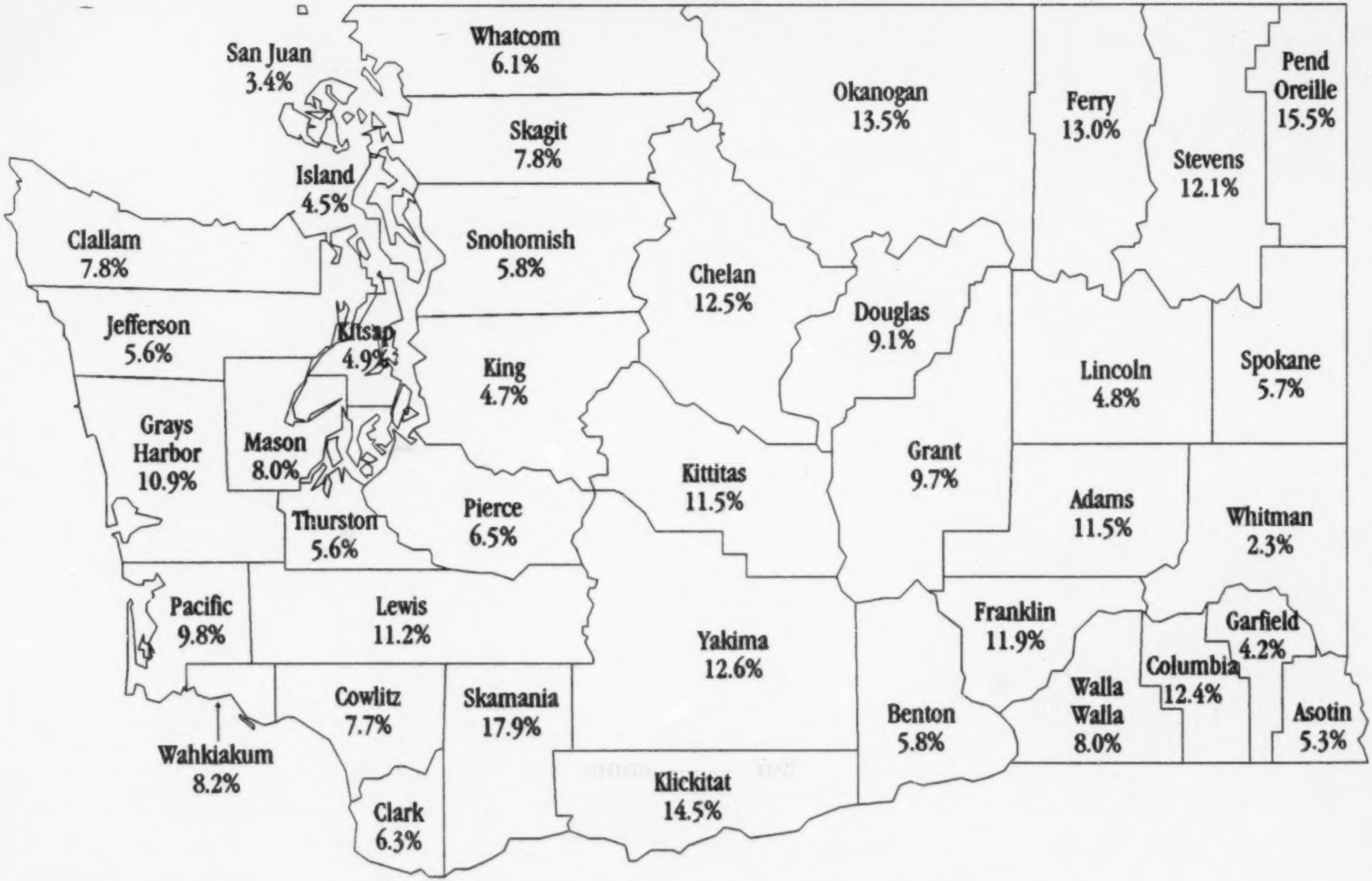
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 6/5/91
Benchmark: 1990

	April 1991 Preliminary†				March 1991 Revised†				April 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,499,600	2,342,400	157,200	6.3	2,488,500	2,312,900	175,600	7.1	2,507,500	2,389,800	117,700	4.7
Bellingham MSA	68,500	64,300	4,200	6.1	68,800	63,900	4,900	7.1	67,100	63,900	3,200	4.8
Bremerton MSA	83,600	79,500	4,100	4.9	83,600	78,800	4,800	5.7	84,300	80,900	3,400	4.0
Olympia MSA	84,400	79,700	4,700	5.6	85,000	79,700	5,300	6.2	83,900	80,000	3,900	4.6
Seattle PMSA	1,123,600	1,068,700	54,900	4.9	1,119,400	1,060,600	58,800	5.3	1,127,800	1,089,600	38,200	3.4
King County‡	885,500	844,300	41,200	4.7	881,300	838,000	43,300	4.9	890,100	860,900	29,200	3.3
Snohomish County‡	238,000	224,300	13,700	5.8	238,100	222,600	15,500	6.5	237,800	228,700	9,100	3.8
Spokane MSA	171,400	161,600	9,800	5.7	170,800	159,200	11,600	6.8	172,300	163,500	8,800	5.1
Tacoma PMSA	250,500	234,100	16,400	6.5	250,100	232,100	18,000	7.2	256,600	244,900	11,700	4.6
Tri-Cities MSA	76,700	71,100	5,600	7.3	73,800	67,100	6,700	9.1	76,400	72,100	4,300	5.6
Benton County‡	59,100	55,700	3,400	5.8	56,500	52,500	4,000	7.1	59,400	56,400	3,000	5.1
Franklin County‡	17,600	15,500	2,100	11.9	17,200	14,600	2,600	15.1	17,000	15,700	1,300	7.6
Vancouver PMSA	129,400	121,300	8,100	6.3	129,600	120,600	9,000	6.9	125,700	119,800	5,900	4.7
Yakima MSA	99,700	87,100	12,600	12.6	97,700	83,800	13,900	14.2	100,700	90,400	10,300	10.2
Adams	7,930	7,020	910	11.5	7,670	6,580	1,090	14.2	7,160	6,540	620	8.7
Asotin	9,740	9,220	520	5.3	9,580	8,970	610	6.4	9,660	9,300	360	3.7
Clallam	24,240	22,360	1,880	7.8	24,070	21,870	2,200	9.1	24,870	23,330	1,540	6.2
Columbia	2,180	1,910	270	12.4	1,480	1,180	300	20.3	2,920	2,730	190	6.5
Cowlitz	38,520	35,540	2,980	7.7	38,970	35,680	3,290	8.4	38,580	35,880	2,700	7.0
Ferry	3,320	2,890	430	13.0	3,290	2,810	480	14.6	3,360	3,000	360	10.7
Garfield	950	910	40	4.2	940	890	50	5.3	1,000	970	30	3.0
Grant	27,060	24,430	2,630	9.7	26,350	23,170	3,180	12.1	27,740	25,720	2,020	7.3
Grays Harbor	26,580	23,680	2,900	10.9	27,340	23,910	3,430	12.5	26,510	24,270	2,240	8.4
Island	21,710	20,740	970	4.5	21,510	20,420	1,090	5.1	21,630	20,860	770	3.6
Jefferson	9,000	8,500	500	5.6	8,780	8,170	610	6.9	9,280	8,880	400	4.3
Kittitas	12,640	11,190	1,450	11.5	13,090	11,380	1,710	13.1	12,470	11,530	940	7.5
Klickitat	7,640	6,530	1,110	14.5	7,560	6,270	1,290	17.1	8,020	7,040	980	12.2
Lewis	24,810	22,020	2,790	11.2	24,490	21,320	3,170	12.9	25,740	24,010	1,730	6.7
Lincoln	4,180	3,980	200	4.8	4,170	3,880	290	7.0	4,590	4,430	160	3.5
Mason	15,260	14,040	1,220	8.0	14,940	13,350	1,590	10.6	14,880	14,030	850	5.7
Okanogan	17,310	14,980	2,330	13.5	17,600	14,830	2,770	15.7	16,940	15,190	1,750	10.3
Pacific	7,660	6,910	750	9.8	7,490	6,640	850	11.3	7,920	7,380	540	6.8
Pend Oreille	3,290	2,780	510	15.5	3,370	2,730	640	19.0	3,470	3,020	450	13.0
San Juan	5,560	5,370	190	3.4	5,320	5,090	230	4.3	5,740	5,590	150	2.6
Skagit	41,190	37,990	3,200	7.8	41,240	37,470	3,770	9.1	39,050	36,560	2,490	6.4
Skamania	2,180	1,790	390	17.9	2,170	1,690	480	22.1	2,160	1,810	350	16.2
Stevens	11,740	10,320	1,420	12.1	11,730	9,920	1,810	15.4	11,950	10,730	1,220	10.2
Wahkiakum	1,220	1,120	100	8.2	1,210	1,100	110	9.1	1,290	1,210	80	6.2
Walla Walla	24,050	22,120	1,930	8.0	23,620	21,350	2,270	9.6	24,330	23,100	1,230	5.1
Wenatchee Labor Area	42,720	37,870	4,850	11.4	42,880	38,020	4,860	11.3	41,530	37,940	3,590	8.6
Chelan County‡	28,670	25,100	3,570	12.5	28,640	25,210	3,430	12.0	27,820	25,150	2,670	9.6
Douglas County‡	14,040	12,760	1,280	9.1	14,240	12,810	1,430	10.0	13,720	12,790	930	6.8
Whitman	19,170	18,720	450	2.3	18,930	18,430	500	2.6	19,860	19,560	300	1.5

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

April 1991 Unemployment Rates
State of Washington = 6.3%


Whatcom 6.1%
San Juan 3.4%
Skagit 7.8%
Island 4.5%
Okanogan 13.5%
Ferry 13.0%
Stevens 12.1%
Pend Oreille 15.5%
Clallam 7.8%
Snohomish 5.8%
Chelan 12.5%
Douglas 9.1%
Jefferson 5.6%
Kitsap 4.9%
King 4.7%
Lincoln 4.8%
Spokane 5.7%
Grays Harbor 10.9%
Mason 8.0%
Kittitas 11.5%
Grant 9.7%
Adams 11.5%
Whitman 2.3%
Thurston 5.6%
Pierce 6.5%
Pacific 9.8%
Lewis 11.2%
Yakima 12.6%
Franklin 11.9%
Garfield 4.2%
Columbia 12.4%
Walla Walla 8.0%
Asotin 5.3%
Cowlitz 7.7%
Skamania 17.9%
Benton 5.8%
Wahkiakum 8.2%
Klickitat 14.5%
Clark 6.3%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary April Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Apr 91	Mar 91	Apr 90	Apr 91	Mar 91	Apr 90	Apr 91	Mar 91	Apr 90
TOTAL MANUFACTURING INDUSTRIES[1]	212,108	$526.14	$534.00	$516.72	39.5	40.0	40.4	$13.32	$13.35	$12.79
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31,630	$456.98	$451.62	$489.89	39.6	38.6	43.2	$11.54	$11.70	$11.34
Primary Metal Industries	9,863	$597.37	$600.81	$582.03	43.1	43.1	43.5	$13.86	$13.94	$13.38
Fabricated Metal Products	9,926	$522.45	$528.08	$509.63	39.7	41.0	41.4	$13.16	$12.88	$12.31
Machinery	19,701	$436.50	$439.16	$419.64	38.8	39.6	39.0	$11.25	$11.09	$10.76
Food and Kindred Products	25,890	$366.38	$383.04	$340.75	37.5	38.0	34.7	$9.77	$10.08	$9.82
Chemical and Allied Products	4,689	$725.86	$708.81	$680.95	43.7	43.7	43.4	$16.61	$16.22	$15.69
Transportation Equipment	56,363	$669.43	$687.58	$651.26	40.4	41.9	42.4	$16.57	$16.41	$15.36
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	88,632	$652.21	$655.46	$636.17	36.6	36.7	37.4	$17.82	$17.86	$17.01
Wholesale and Retail Trade (Includes eating and drinking establishments)	458,675	$288.30	$287.36	$288.19	30.9	30.8	31.6	$9.33	$9.33	$9.12

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[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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JOB SERVICE

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

June 1991

Highlights

Right On Course

The worst may be over. Major national indicators turned positive again in May, bolstering the view that the recession has possibly bottomed out and a recovery is finally underway. Retail sales are up, the housing market is strengthening, and factory orders are building once again. Preliminary estimates of second quarter real GNP - the inflation-adjusted measure of the nation's total output of goods and services - showed a 0.4 percent annual rate of ***increase*** for the April-to-June period following ***declines*** of 2.8 percent in the first quarter and 1.6 percent in the fourth quarter of 1990. On a seasonally-adjusted basis, employers nationally added workers in May for the first time in 11 months. And consumer borrowing has picked up after repeatedly falling off since the end of last year.

Volume 15, Number 6

Skeptics are taking a "wait and see" attitude. Four of the past eight postwar recessions experienced what amounted to a double dip in the growth rate before a protracted upturn occurred. Many of the factors which gave rise to the recession are still very much alive. These include higher tax loads for individuals and business, tightened bank regulatory standards, high debt levels, and overbuilding of both commercial and residential real estate throughout many parts of the country. Moreover, the acute federal budget deficit rules out any counter-cyclical fiscal stimulus coming out of the "other Washington" this time around.

If the timing does prove to be 11 months from last August, the duration of the downturn would be precisely as forecast. Most economists looked to a fairly average recession in terms of length but a relatively mild one in terms of overall impact. To a great extent, this was exactly what happened. However, not all areas were treated alike. The Northeast and portions of the Mid-Atlantic states were hit hard while the Pacific Northwest and the North Central region were left largely unscathed. From this juncture, the likelihood is a rather tepid recovery at best. It could well be early 1992 before a sense of recovery is clearly visible throughout most areas of the economy.

Washington Proceeds To Slow

Slow or not, timing could not be more fortunate for Washington State. Job growth has progressively eased since the beginning of the year. Seasonally-adjusted wage and salary employment fell 16,000 from February to May after climbing 41,000 in the previous six months. And the year-to-year job gain has narrowed from 102,000 on average for 1990 to 40,500 by the fifth month of 1991.

The Office of the Forecast Council is looking to slightly less than normal seasonal payroll expansion of the economy in the second and third quarters before a pickup in the fourth quarter of this year. Much depends upon an improving national setting over the same time frame and comparable state-to-national pickup in the big job sectors of manufacturing, trade, and services. Given that Washington performance to date has only slowed - not slipped into recession -

an upturn coincident with the nation as a whole late in the year will move the state forward into 1992 with no stigma of any measurable economic loss.

Less Than Seasonal Surge In May

Washington's nonfarm wage and salary employment heightened by 13,200 workers in May to 2,195,600. Gains over the month were typically broad-based as weather-related industries expanded toward their seasonal highs. The uptick, however, proved lighter than posted in recent years. The period from 1984 through 1990 saw an average increase for May of roughly 22,000. Certainly weather, being wetter and cooler than usual, played a part in toning down the monthly advance. But the overriding factor was simply a slower regional economy.

In particular, the pace of construction has eased. Payrolls in both housing and nonresidential building were running less than a year ago in May for the first time since the fourth quarter of 1982. Only public works and special trades contractors continued to show positive year-to-year gains. Much of the former is tied to ongoing major highway projects and the latter reflects further strength in household repair and remodeling coming predominantly as a backlash to the runup in Seattle-area housing prices in the late-1980s. Construction employment inched up by 1,600 workers in May rather than 4,000 as was the case since 1985.

Like Pattern In Services

Momentum in services and trade also lightened up. Retailing rose 3,000 over the month and stood even with a year before. As near as last January, the sector showed a year-to-year spread of more than 10,000. Department stores added no new employment in May. Additions over the month centered principally at food stores (+1,000) and eating and drinking establishments (+1,200). Start of major landscaping and yard work boosted building materials and garden supplies by 600. But apparel and accessories fell by 200.

Growth of services essentially paced the economy throughout much of the current upturn. The services sector comprises little less than a quarter of the state's nonfarm wage and salary employment base but accounted for fully a third of Washington's net job gain in the past seven years. It garnered a four percentage point greater share of the total economy over that time period. And with greater resiliency than evidenced elsewhere in the economy, managed to continue generating half the state's job growth in the twelve months ending in May.

Nonetheless, services peaked in February on a seasonally adjusted basis and dropped by 5,500 workers in the past three months. The May increase of 1,600 contrasted sharply with 5,300 in the like period of 1988-90 with additions noticeably lighter in business services (+700) and health services (+400) among others. The drop in personal services (-500) was fairly normal for the month, largely reflected a pullback in accounting services after the rush for federal income tax filing passed.

Manufacturing Posts Little Change

Manufacturing, correspondingly, gained 1,100 jobs in May purely on the strength of seasonal expansion in lumber and wood products (+300) and food processing (+800). The rest of the principal export sector stayed basically unchanged. Aerospace was flat for the fifth consecutive month having stabilized at roughly 116,000 since January after peaking at 118,700 a year before. Relative stability of this large industrial sector has done much to undergird the overall state economy in 1991.

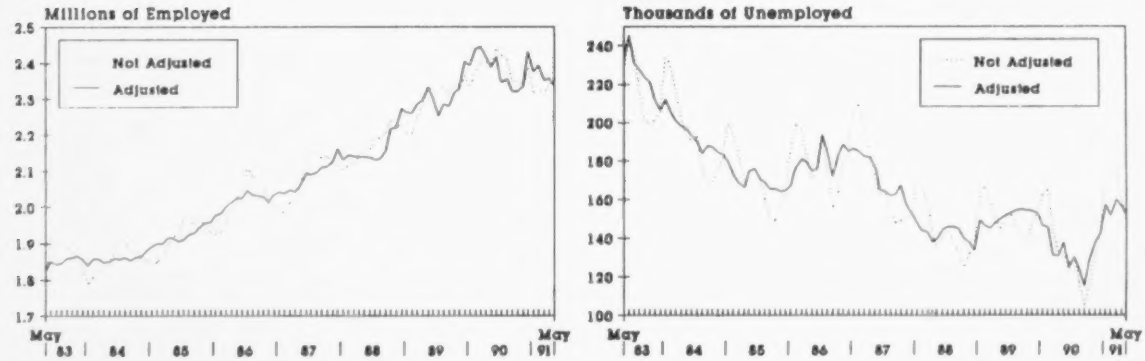
Movements outside the forest products, aerospace, and food processing sectors have been minor. Gains in industrial machinery (+100), fabricated metals (+100), and printing and publishing (+100) were offset in May by losses in electronics (-100), instruments (-100), and paper and allied products (-200). This kind of "give and take" shows no perceptible trend other than a general holding pattern. And, except for a single plant closure in both instruments and primary metals, the over-the-year change for diversified manufacturing looks very much the same.

Looking At a Longer Time Frame

Over the year, Washington's nonfarm wage and salary employment has risen by 40,500 workers. The annual margin has progressively eased since the start of the year. But even reduced, the amount of job growth in the 12-months ending in May still measured the second largest of any state in the nation. Only Texas was higher at 76,000. On the other hand, 23 of the 50 states are currently negative, including California.

Half of Washington's year-to-year job gain has centered in services (+22,500) and further in business services (+2,900), social services (+2,500) and health (+8,700) specifically. Another third of the increase has come in local government (+14,300) split roughly 60/30 between K-12 public education and city-county administration. Construction has flattened out to only an 800-workers margin in May. And manufacturing is off by 5,100 mostly due to weakness in lumber and wood products (-2,300) and transportation equipment other than aerospace (-2,100).

Washington State Total Resident Employment and Unemployment
May 1983 - May 1991



Source: Employment Security Department

LABOR FORCE AND UNEMPLOYMENT

Unemployment in Washington State dropped in May with the advent of better weather. The statewide unemployment rate fell over the month by close to half a percentage point from 6.3 percent to 5.9 percent of the workforce. Greater activity in agriculture, construction, trade, and services all sparked the seasonal uptick in the economy despite somewhat cooler and wetter weather than normal. A slower economy than a year ago, however, succeeded in pushing unemployment above the prior-year low of 4.5 percent. But not as high as the national average at 6.6 percent for May.

Washington's unemployment rate has consistently tracked below the national average ever since March of last year. At that time, the national economy was trooping steadily into recession which officially began sometime in July. The state, in contrast, continued to pile up job growth (albeit at a slower pace) in a setting of increasingly tight labor markets throughout most of the year. Given the diametrically different trends occurring, it is no wonder that the state moved to outperform the nation not only in terms of job growth but jobless patterns as well.

State-to-national differences have converged in 1991. Jobless rates for the state tracked better than a full percentage point below the nation as a whole in the third quarter of last year. The two came into unison in the first quarter of this year and then separated again to roughly half a percentage point spread in May. The outlook for the months ahead is a fairly typical seasonal pattern with some added upward pressure on unemployment as job growth in the state proceeds to slow.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	May 1991 *Preliminary*	Apr 1991 *Revised*	May 1990
Resident Civilian Labor Force	2,490,900	2,501,100	2,495,900
Employment	2,343,800	2,342,300	2,383,400
Unemployment	147,100	158,800	112,500
Unemployment Rate	5.9%	6.3%	4.5%
National Unemployment Rate	6.6%	6.5%	5.1%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

AREA TRENDS

Urban Areas Pull In Tandem

Unemployment in Washington's metropolitan areas dropped from 5.8 percent to 5.5 percent of the workforce on average in May. The decline reflected normal seasonal heightening in services and trade which brought overall joblessness down uniformly in the Seattle PMSA (4.6 percent), Spokane MSA (5.6 percent), and Tacoma PMSA (6.4 percent) over the month. Greater farm activity drew area joblessness down sharply in Yakima (from 12.8 percent to 10.7 percent) and the Franklin County portion of the Tri-Cities (from 12.4 percent to 9.2 percent). But all areas registered higher than a year ago by an average of roughly one-and-a-half percentage points.

Balance of State Diverges Sharply

Meanwhile, the resource-based economies of eastern and western Washington lowered unemployment in May more dramatically than the state as a whole. Seasonal swings are sharper in these economies than the more diversified urban areas. And initial entry into spring promptly moves business activity forward. Unemployment in agriculture-dominant eastern Washington dropped more than a full percentage point in May from 8.8 percent to 7.7 percent of the area workforce. At the same time, the timber-dependent counties of western Washington saw a comparable easing from an average of 9.7 percent to 8.8 percent. Wide disparities of conditions exist in the outlying areas, and product movement of both forest and field is destined to be constrained by shorter supplies in 1991.

Unemployment Rates by Geographic Areas
State of Washington

Areas	May 1991	Apr 1991	May 1990
Washington State Total	5.9	6.3	4.5
Metropolitan Areas	5.5	5.8	4.1
Log & Lumber Areas	8.8	9.7	6.8
All Western WA Areas	5.4	5.7	4.0
All Eastern WA Areas	7.7	8.8	6.5

Source: Employment Security Department

INDUSTRY NOTES

Boeing Hangs In There

Despite softer than expected first-quarter performance, the outlook for The Boeing Company continues bright. Sales were off 5 percent in the first three months to $6.09 billion from $6.44 billion in the 1990 quarter holding profits to $309 million, or 90 cents a share, compared with $302 million, or 87 cents a share, a year before. Operating losses continued in the defense and space portions of the business with lower deliveries of 747s and greater research expenses on the 777 program impacting commercial operations. A rebound is expected in the second quarter.

Meanwhile, Boeing's impressive 1,800-plane backlog remains intact. Production of the mid-sized 757 is being increased from 7 planes to 8.5 planes a month next year. Plans are also in the works for possibly boosting both the 747 and 767 models produced at Everett from 5 planes to 7 planes a month. And the 737 is already undergoing an output hike from 17 planes to 21 planes a month during the course of this year.

Everett Home Base Gels

The Navy has officially named the exact configuration for the home port at Everett: an aircraft carrier, four destroyers, and two frigates. The number is half the force initially envisioned owing to general military cutbacks all along the line. But the action reaffirmed the Navy's intent to complete the $272 million base with ship arrivals sometime between 1993 and 1995. Direct employment is projected at 5,800 military and 1,400 civilians.

Paccar Is Picking Up

Devastated by the national recession, Paccar is beginning to see a "light at the end of the tunnel." Truck sales suffered one the deepest slumps in a decade over the past year. But demand has recently rebounded. As a result, the Bellevue-based truck manufacturer will call back some 350 workers laid off since last fall thereby boosting employment at the Kenworth plant in Seattle to the 1,000-worker level present before the layoffs began. Production has moved up from 11 trucks to 15 trucks a day. That level, however, is still well below the 32 trucks a day produced at the peak in October.

And Down On The Farm

Washington wheat farmers lost 70 percent of the fall-planted crop to winterkill this year in one of the worst crop failures in recent history. Eastern Washington growers expect to harvest winter wheat on just 750,000 acres of the 2.2 million acres seeded last fall. Extremely cold temperatures followed very high winds which had blown away much of the insulating snow cover. Farmers reseeded into lower-yield spring wheat. But the total wheat crop will still likely by short by a third from last year at 100.7 million bushels. As much as 90 percent of the wheat crop in any one year is exported overseas predominately to Pacific Rim and Middle East markets.

NATIONAL INDICATORS

Go Go GNP

The national economy, bolstered by a burst of consumer spending, showed signs of life again in the spring quarter for the first time since last summer. Real Gross National Product - the inflation-adjusted measure of output of all goods and services produced in the nation - moved up at a modest 0.4 percent annual rate in the April-June quarter following two consecutive quarters of decline. Although modest, the increase was hailed as hard evidence that the nation's first recession in eight years had ended. Significantly, consumer spending and housing construction led the upturn.

Two In A Row

Meanwhile, industrial production rose in May for the second month in a row. The Federal Reserve's index of factory output jumped 0.5 percent over the month - the biggest increase since last June just prior to the time the recession officially took hold. Some of the rise came from higher utility usage because of unusually warm weather elsewhere in the nation. But the key auto sector also posted a sizable jump for the second consecutive month. At the same time, inventories continued to decline, thereby helping to ensure that any pickup in demand will translate directly into higher levels of manufacturing output.

Consumer's Are Back

May retail sales nationwide jumped strongly by 1 percent, giving further evidence that consumers are slowly coming back. Gains over the month were widespread across businesses: auto dealers sales were up 1.6 percent; sales at clothing stores climbed 2.4 percent; and furniture sales increased 1.5 percent. The growth in retail sales was a welcome sign that recovery has begun, given that personal consumption makes up fully two-thirds of GNP.

Barometer Points Positive

The future looks like more of the same. The government's index of ***leading indicators*** marked its fourth straight month of gain in May - the first such string of increases in two-and-a-half years. The barometer jumped 0.8 percent over the month after rising 0.4 percent in April and 0.9 percent in March. In addition, the index of *coincident* indicators (designed to measure current as opposed to future activity) rose in May for the first time in 11 months.

Consumer Price Index
(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			Percent Change	
U.S. City Average	May 91 135.6	Apr 91 135.2	May 90 129.2	Mar 91 0.3%	Apr 90 5.0%
Seattle†	Jul-Dec 1990 129.4	Jul-Dec 1989 119.6		Jul-Dec 1990 8.2%	

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	May 1991 (Prel)	Apr 1991 (Rev)	May 1990 (Rev)	Apr 1990 (Rev)	Numeric Change Apr 1991 to May 1991	Numeric Change May 1990 to May 1991
Total Nonagricultural Wage & Salary	2,195.6	2,182.4	2,155.1	2,127.1	13.2	40.5
Manufacturing	364.7	363.6	369.8	367.6	1.1	-5.1
Durable Goods	255.8	255.4	261.6	261.0	0.4	-5.8
Lumber & Wood Products	38.6	38.3	40.9	40.0	0.3	-2.3
Logging	9.5	9.4	10.0	9.4	0.1	-0.5
Sawmills & Plywood	25.3	25.1	27.1	27.0	0.2	-1.8
Furniture & Fixtures	4.1	4.0	4.0	4.0	0.1	0.1
Stone, Clay, & Glass	7.7	7.6	8.0	7.8	0.1	-0.3
Primary Metals	12.4	12.4	13.2	13.1	0.0	-0.8
Aluminum	8.9	8.9	9.0	9.0	0.0	-0.1
Fabricated Metals	12.4	12.3	12.2	11.9	0.1	0.2
Industrial Machinery & Equipment	20.0	19.9	20.3	20.1	0.1	-0.3
Computer & Office Equipment	6.5	6.4	6.2	6.1	0.1	0.3
Electronic & Other Electrical Equipment	11.6	11.7	11.3	11.4	-0.1	0.3
Transportation Equipment	129.0	129.0	130.9	131.9	0.0	-1.9
Aircraft & Parts	116.3	116.3	116.1	116.7	0.0	0.2
Instruments & Related	13.6	13.7	14.8	14.8	-0.1	-1.2
Miscellaneous Manufacturing	6.4	6.5	6.0	6.0	-0.1	0.4
Nondurable Goods	108.9	108.2	108.2	106.6	0.7	0.7
Food & Kindred Products	37.9	37.1	37.6	36.7	0.8	0.3
Preserved Fruits & Vegetables	13.2	12.5	13.5	13.1	0.7	-0.3
Textiles, Apparel, & Leather	8.0	8.0	7.9	7.8	0.0	0.1
Paper & Allied Products	17.7	17.9	18.1	18.0	-0.2	-0.4
Printing & Publishing	22.7	22.6	22.5	22.3	0.1	0.2
Chemicals & Allied Products	13.6	13.6	13.2	13.0	0.0	0.4
Petroleum, Coal, & Plastics	9.0	9.0	8.9	8.8	0.0	0.1
Mining & Quarrying	3.7	3.6	3.7	3.7	0.1	0.0
Construction	119.2	117.6	118.4	113.7	1.6	0.8
General Building Contractors	34.1	33.7	35.4	34.2	0.4	-1.3
Heavy Construction, except Buildings	17.8	16.9	17.2	15.9	0.9	0.6
Special Trade Contractors	67.4	66.9	65.8	63.6	0.5	1.6
Transportation, Communications, & Utilities	115.7	114.5	112.7	110.9	1.2	3.0
Transportation	80.4	79.6	78.2	76.5	0.8	2.2
Trucking & Warehousing	33.1	32.7	30.9	30.2	0.4	2.2
Water Transportation	9.6	9.5	9.6	9.1	0.1	0.0
Transportation by Air	15.6	15.4	15.8	15.6	0.2	-0.2
Communications	25.3	25.1	25.0	25.0	0.2	0.3
Electric, Gas, & Sanitary Services	10.0	9.8	9.5	9.4	0.2	0.5
Wholesale & Retail Trade	520.8	517.4	519.4	510.8	3.4	1.4
Wholesale Trade	129.7	129.3	128.3	126.9	0.4	1.4
Retail Trade	391.1	388.1	391.1	383.9	3.0	0.0
General Merchandise	35.5	35.5	38.1	38.0	0.0	-2.6
Food Stores	65.6	64.6	64.0	62.9	1.0	1.6
Eating & Drinking	146.5	145.3	144.2	140.7	1.2	2.3
Finance, Insurance, & Real Estate	118.5	118.0	116.5	115.5	0.5	2.0
Finance	50.8	50.9	51.4	51.3	-0.1	-0.6
Services	532.1	530.5	509.6	504.2	1.6	22.5
Hotels & Lodging	26.4	25.7	25.6	24.5	0.7	0.8
Personal Services	21.9	22.4	21.2	21.8	-0.5	0.7
Business Services	88.3	87.6	85.4	83.2	0.7	2.9
Health Services	155.7	155.3	147.0	145.9	0.4	8.7
Educational Services	24.7	25.3	23.8	24.1	-0.6	0.9
Social Services	36.7	36.4	34.2	33.5	0.3	2.5
Engineering & Management Services	47.5	47.8	45.6	45.7	-0.3	1.9
Government	420.9	417.2	405.0	400.7	3.7	15.9
Federal	72.6	72.2	77.1	75.2	0.4	-4.5
State	122.5	122.8	116.4	116.2	-0.3	6.1
State Education	64.0	64.6	62.1	62.2	-0.6	1.9
Local	225.8	222.2	211.5	209.3	3.6	14.3
Local Education	123.8	121.7	114.5	114.1	2.1	9.3
Labor-Management Disputes	0.0	0.0	0.0	0.0	0.0	0.0

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 7/3/91
Benchmark: 1990

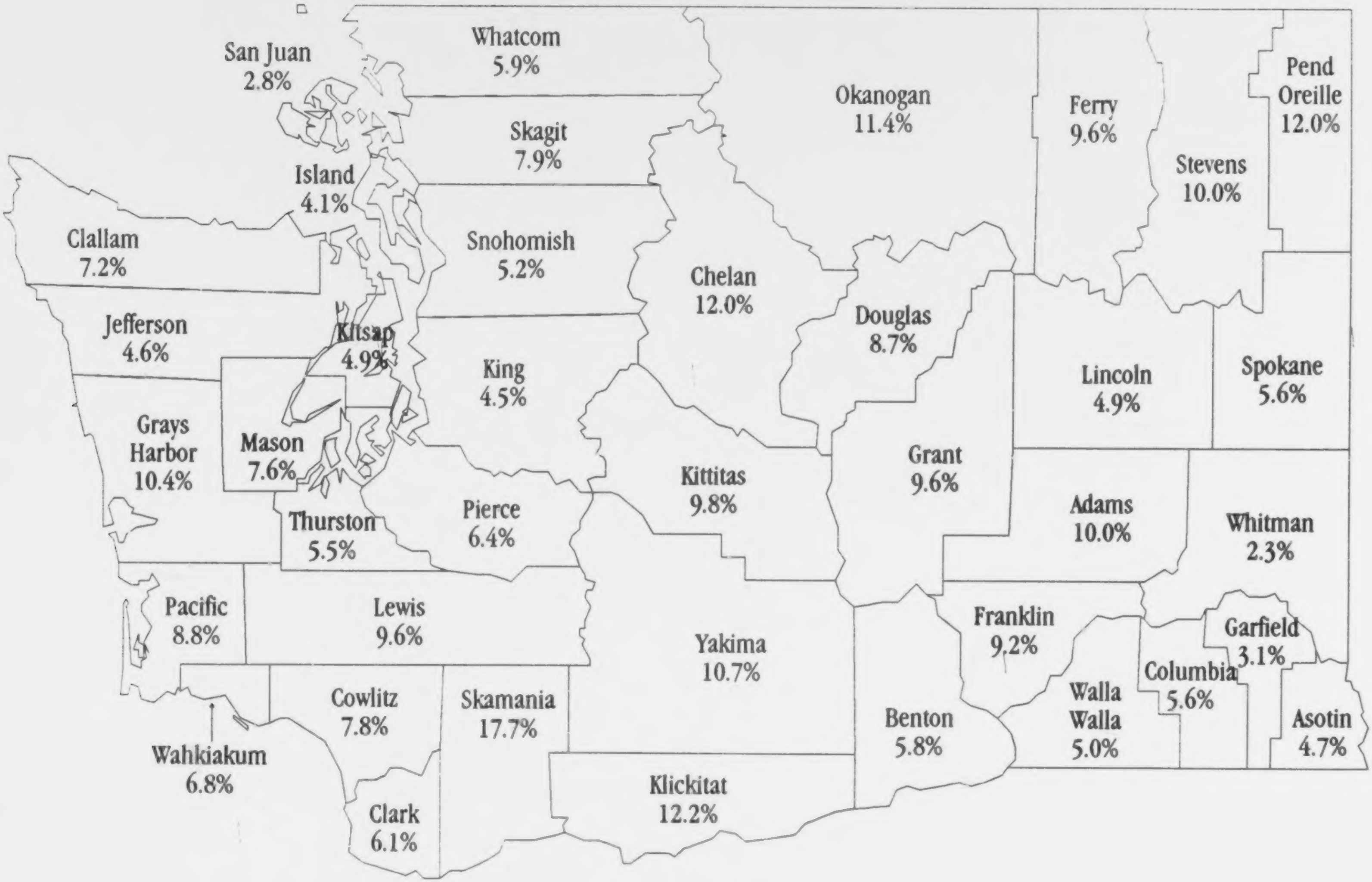
Washington State
Employment Security Department
Labor Market and Economic Analysis

	May 1991 Preliminary†				April 1991 Revised†				May 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,490,900	2,343,800	147,100	5.9	2,501,100	2,342,300	158,800	6.3	2,495,900	2,383,400	112,500	4.5
Bellingham MSA	67,700	63,700	4,000	5.9	68,300	64,100	4,200	6.1	69,100	66,100	3,000	4.3
Bremerton MSA	83,100	79,000	4,100	4.9	83,700	79,600	4,100	4.9	83,000	79,600	3,400	4.1
Olympia MSA	83,100	78,500	4,600	5.5	84,500	79,700	4,800	5.7	83,300	79,400	3,900	4.7
Seattle PMSA	1,122,300	1,070,200	52,100	4.6	1,123,900	1,068,600	55,300	4.9	1,117,600	1,080,700	36,900	3.3
King County‡	885,100	845,500	39,600	4.5	885,800	844,300	41,500	4.7	882,400	853,900	28,500	3.2
Snohomish County‡	237,000	224,600	12,400	5.2	238,100	224,300	13,800	5.8	235,300	226,900	8,400	3.6
Spokane MSA	171,500	161,900	9,600	5.6	171,300	161,400	9,900	5.8	171,800	163,200	8,600	5.0
Tacoma PMSA	246,700	230,900	15,800	6.4	250,400	233,800	16,600	6.6	253,900	242,200	11,700	4.6
Tri-Cities MSA	77,900	72,800	5,100	6.5	76,700	71,100	5,600	7.3	77,500	73,300	4,200	5.4
Benton County‡	60,500	57,000	3,500	5.8	59,200	55,700	3,500	5.9	60,500	57,400	3,100	5.1
Franklin County‡	17,400	15,800	1,600	9.2	17,700	15,500	2,200	12.4	17,000	15,900	1,100	6.5
Vancouver PMSA	128,400	120,600	7,800	6.1	129,300	121,100	8,200	6.3	128,200	122,400	5,800	4.5
Yakima MSA	99,200	88,600	10,600	10.7	99,200	86,500	12,700	12.8	100,300	91,500	8,800	8.8
Adams	8,000	7,200	800	10.0	7,890	6,970	920	11.7	7,780	6,790	990	12.7
Asotin	9,730	9,270	460	4.7	9,560	9,040	520	5.4	9,730	9,340	390	4.0
Clallam	24,170	22,420	1,750	7.2	24,260	22,360	1,900	7.8	24,650	23,280	1,370	5.6
Columbia	2,490	2,350	140	5.6	2,180	1,910	270	12.4	2,720	2,600	120	4.4
Cowlitz	38,130	35,170	2,960	7.8	38,510	35,500	3,010	7.8	38,780	36,380	2,400	6.2
Ferry	3,230	2,920	310	9.6	3,330	2,890	440	13.2	3,280	3,010	270	8.2
Garfield	970	940	30	3.1	950	910	40	4.2	1,020	990	30	2.9
Grant	28,050	25,360	2,690	9.6	27,800	25,110	2,690	9.7	27,880	25,770	2,110	7.6
Grays Harbor	26,350	23,620	2,730	10.4	26,920	23,970	2,950	11.0	26,170	24,090	2,080	7.9
Island	21,960	21,060	900	4.1	21,690	20,710	980	4.5	21,640	20,920	720	3.3
Jefferson	8,820	8,410	410	4.6	9,010	8,500	510	5.7	9,110	8,760	350	3.8
Kittitas	12,480	11,260	1,220	9.8	12,700	11,240	1,460	11.5	11,950	11,190	760	6.4
Klickitat	7,950	6,980	970	12.2	7,920	6,800	1,120	14.1	7,810	6,980	830	10.6
Lewis	24,150	21,830	2,320	9.6	24,900	22,090	2,810	11.3	25,710	24,020	1,690	6.6
Lincoln	4,270	4,060	210	4.9	4,180	3,970	210	5.0	4,540	4,400	140	3.1
Mason	15,080	13,930	1,150	7.6	15,270	14,030	1,240	8.1	14,330	13,530	800	5.6
Okanogan	17,420	15,440	1,980	11.4	17,420	15,050	2,370	13.6	16,780	15,230	1,550	9.2
Pacific	7,520	6,860	660	8.8	7,630	6,880	750	9.8	7,660	7,160	500	6.5
Pend Oreille	3,170	2,790	380	12.0	3,270	2,750	520	15.9	3,380	2,990	390	11.5
San Juan	6,170	6,000	170	2.8	5,980	5,780	200	3.3	6,360	6,230	130	2.0
Skagit	40,520	37,310	3,210	7.9	40,910	37,670	3,240	7.9	39,950	37,620	2,330	5.8
Skamania	2,260	1,860	400	17.7	2,180	1,790	390	17.9	2,190	1,900	290	13.2
Stevens	11,670	10,500	1,170	10.0	11,810	10,380	1,430	12.1	11,520	10,570	950	8.2
Wahkiakum	1,170	1,090	80	6.8	1,210	1,120	90	7.4	1,190	1,120	70	5.9
Walla Walla	23,920	22,720	1,200	5.0	24,050	22,110	1,940	8.1	23,950	23,050	900	3.8
Wenatchee Labor Area	42,760	38,080	4,680	10.9	42,940	38,050	4,890	11.4	41,540	37,930	3,610	8.7
Chelan County‡	28,700	25,250	3,450	12.0	28,830	25,230	3,600	12.5	27,720	25,140	2,580	9.3
Douglas County‡	14,070	12,840	1,230	8.7	14,120	12,830	1,290	9.1	13,810	12,780	1,030	7.5
Whitman	18,660	18,230	430	2.3	19,150	18,700	450	2.3	19,500	19,050	450	2.3

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.

May 1991 Unemployment Rates
State of Washington = 5.9%



San Juan 2.8%
Whatcom 5.9%
Okanogan 11.4%
Ferry 9.6%
Pend Oreille 12.0%
Skagit 7.9%
Stevens 10.0%
Island 4.1%
Clallam 7.2%
Snohomish 5.2%
Chelan 12.0%
Douglas 8.7%
Jefferson 4.6%
Kitsap 4.9%
King 4.5%
Lincoln 4.9%
Spokane 5.6%
Grays Harbor 10.4%
Mason 7.6%
Grant 9.6%
Kittitas 9.8%
Adams 10.0%
Thurston 5.5%
Pierce 6.4%
Whitman 2.3%
Pacific 8.8%
Lewis 9.6%
Franklin 9.2%
Yakima 10.7%
Garfield 3.1%
Columbia 5.6%
Walla Walla 5.0%
Cowlitz 7.8%
Skamania 17.7%
Benton 5.8%
Asotin 4.7%
Wahkiakum 6.8%
Klickitat 12.2%
Clark 6.1%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary May Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		May 91	Apr 91	May 90	May 91	Apr 91	May 90	May 91	Apr 91	May 90
Total Manufacturing Industries[1]	214,106	$535.06	$524.26	$513.95	39.9	39.3	40.5	$13.41	$13.34	$12.69
Selected Manufacturing Industries										
Lumber and Wood Products	31,751	$468.05	$454.72	$442.09	39.8	39.2	39.9	$11.76	$11.60	$11.08
Primary Metal Industries	9,875	$602.43	$595.78	$567.60	43.0	42.8	43.0	$14.01	$13.92	$13.20
Fabricated Metal Products	9,996	$537.66	$522.45	$512.05	41.2	39.7	41.8	$13.05	$13.16	$12.25
Machinery	19,635	$435.60	$434.51	$435.74	39.6	38.9	40.8	$11.00	$11.17	$10.68
Food and Kindred Products	26,672	$378.48	$365.19	$364.94	38.0	37.0	38.7	$9.96	$9.87	$9.43
Chemical and Allied Products	4,684	$698.75	$692.55	$658.67	42.4	42.1	41.9	$16.48	$16.45	$15.72
Transportation Equipment	57,466	$679.78	$669.47	$652.13	41.0	40.5	42.1	$16.58	$16.53	$15.49
Selected Nonmanufacturing Industries										
Construction	89,558	$666.38	$657.86	$656.85	37.5	37.0	38.3	$17.77	$17.78	$17.15
Wholesale and Retail Trade (Includes eating and drinking establishments)	461,757	$284.90	$287.67	$278.14	30.7	30.8	30.7	$9.28	$9.34	$9.06

[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

July 1991

Volume 15, Number 7

Highlights

So What's With This Ho-Hum Economy?

Washington's job setting in June highlighted an economy looked to be going nowhere fast. Employment expanded over the month but only at a fraction of the amount posted in recent years. Unemployment dropped but only because the full influx of students into the labor force was delayed this year by special circumstances causing several school districts to remain in session well beyond the established reporting date. The state's underlying economy, aside from normal seasonal trend, has progressively weakened ever since February. And at issue now is the fact that both manufacturing and nonmanufacturing are contributing.

A slowing in the goods-producing industries began a year ago after employment had peaked in aerospace and lumber and wood products. The former was a by-product of productivity growth; the latter was the direct result of the national recession. By early this year, others had joined in the fray. On balance, seasonally adjusted manufacturing payrolls in the state dropped 2 percent from the first quarter of 1990 through the second quarter of 1991.

With the exception of state and local government, the rest of the economy weakened after adjustment for normal seasonal change beginning in the second quarter. Job levels in construction and retail trade, in particular, shifted from substantially above to well below the prior year in the six months ending in June. Both had been dynamic growth areas of the economy throughout most of the prior seven-years of expansion. Even the venerable services sector succumbed to some degree by spring. What had turned the economy was a combination of consumer psychology and a levelling off of the state's export-based job growth.

Cutting Some Slack

Turning points happen. Nothing lasts forever. The state would have surely been overwhelmed if employment growth continued in excess of 5 percent a year for any protracted period of time. Expansion of the late-1980s had already added better than half a million people to the state's job rolls. And pressure on housing and infrastructure had intensified in the central Puget Sound region to such an extent that "growth management" has become the byword of the 1990s.

Pressure on the labor markets has eased. One clear sign is the fact that unemployment throughout the state is travelling well above the 20-year lows recorded just a year ago. On a seasonally adjusted basis, Washington's total nonfarm employment has dropped 1.4 percent, or 30,000 workers, over the past four months. Bear in mind, however, that any measurement is coming off a very high base and most sectors are showing only incremental adjustments against an all-time record high in 1990.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate eased fractionally by two-tenths of a percentage point in June from 6.0 percent to 5.8 percent of the workforce. The pattern was fairly typical for the month given the seasonal uptick which occurs in agriculture, trade, and services as the economy gradually moves to summertime highs. Weather put a damper on things. And some of the normal buildup in the labor force was delayed as schools made up for lost time. But a less robust economy than a year ago pushed the level of unemployment substantially above the prior year's low of 4.2 percent.

Not much changed nationally. Washington's unemployment rate has consistently tracked below the national average for the past 16 months. In June, the national average moved up from 6.6 percent to 6.9 percent of the civilian workforce - fully a percentage point higher than that of the state. While Washington's economy has indeed slowed, the nation remains mired near the low point of the recession. And the outlook in the months ahead is for only modest improvement as the economy mounts what is certain to be a rather anemic recovery phase.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Jun 1991 *Preliminary*	May 1991 *Revised*	Jun 1990
Resident Civilian Labor Force	2,555,800	2,493,200	2,536,400
Employment	2,406,600	2,344,000	2,430,800
Unemployment	149,200	149,200	105,600
Unemployment Rate	5.8%	6.0%	4.2%
National Unemployment Rate	6.9%	6.6%	5.3%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Unadjusted for seasonal variation, Washington's nonfarm wage and salary employment expanded by 10,600 workers in June. While significant, the gain over the month measured less than half the average for the period in the past ten years. All sectors slowed measurably with particular easing in construction and services. Payrolls in the building trades rose a minuscule 1,300 workers in June compared to 4,300 in the like month a year ago. Likewise, services added 1,500 workers as opposed to 6,300 in June of last year with less movement in both business and personal services.

Despite aggressive action on the part of the Fed in driving down interest rates, the financial variables are not responding as expected. Even to casual observers it is obvious that any pickup in the economy must be prefaced with an upturn in consumer big-ticket purchasing. But commercial and consumer loan demand at major commercial banks in the region is off. And statewide housing starts, cumulative through June, were pacing a third below the level recorded in the first half of 1990.

Construction On The Wane

Little wonder then why construction employment has finally dipped below the prior-year month rather than proceeding to climb. Last year posted an all-time high in terms of total job count and any incremental adjustments are still keeping job levels higher than any year save 1990. But residential and commercial building has moved off its peak with employment trailing June 1990 by 2,700 workers. In addition, the margin over the prior-year for both heavy construction and special trades contractors also narrowed.

The outlook for housing is a pickup in the second half. Lower mortgage rates will certainly assist and an improving economy should act as a primary spur. In addition, there are several major industrial plant expansions either underway or planned (such as Boeing's multi-million dollar building program soon to impact both Pierce and Snohomish counties). These factors should assist in undergirding construction employment in the state at respectably high levels for the next several years.

Services Set The Beat

Meanwhile, services growth also tapered off. The runup in June reflected some seasonal buildup but nowhere near the robust pace experienced in the recent past. Auto repair, cinemas, and amusement and recreation in particular pulled back. Weather may have played a part this year. But, the slower pace of the economy generally has affected business and personal services all along the line.

One notable exception is health services which continue to mount irrespective of the rest of the economy. An aging population is one cause. Another is simply greater health awareness which has spawned a host of clinics and administered-help facilities to address specific health-related issues such as smoking and drug abuse. Health care employment in the state expanded at a 5 percent annual clip over the past four years and 5.4 percent in the past 12 months. In contrast, total employment averaged 4 percent per year from 1986 to 1990 and 1.1 percent June-to-June.

Even so, the services sectors continue to account for the bulk of the state's year-to-year job growth. Services constitute a quarter of the state's nonfarm economy but generated some 30 percent of all new jobs in the late-1980s. With the rest of the economy pulling back sharply, that proportion has now risen to roughly three-quarters. Essentially, this underscores the fact that services as a whole tend to be more resistent to cyclical changes than their goods-producing counterparts.

Counterpunch From Trade

Concurrently, wholesale and retail trade gained 6,500 jobs in June. Beginning shipments of agricultural production boosted wholesaling throughout the state (+1,500) and retailing jumped with seasonal apparel sales (+1,500) and heightened activity at both food stores (+1,600) and eating and drinking establishments (+1,700). The runup was fairly typical for this time of year and accounted for most of the state's month-to-month job growth.

But payrolls still trailed a year ago by 2,800 workers. Both general merchandise (-2,100) and apparel stores (-2,200) have downsized significantly over the past 12 months as consumer sales have languished. Taxable retail sales in the state skidded from double digit gains through the second quarter of 1990 to little more than 3 percent above a year ago in the first quarter of this year. When adjusted for inflation, real sales volume in the first three months was off by roughly 1 percent. Cost-cutting and competitive pressure have become the rules of the day.

Manufacturing A Mixed Bag

Basic manufacturing netted a 1,200-worker gain in June. No sectors moved significantly. But the pluses outnumbered the minuses to draw payrolls progressively higher over the month. Those industries adding workers were ones which typically move up in June: lumber and wood products (+400), paper and allied products (+400), and metals and machinery (+500). Aerospace increased by 100.

On the downside were losses in textiles and apparel (-100), printing and publishing (-300), and other transportation equipment manufacturing (-200). The latter is principally confined to ship and boat building, at present reflecting a combination of fiscal constraints and national recession.

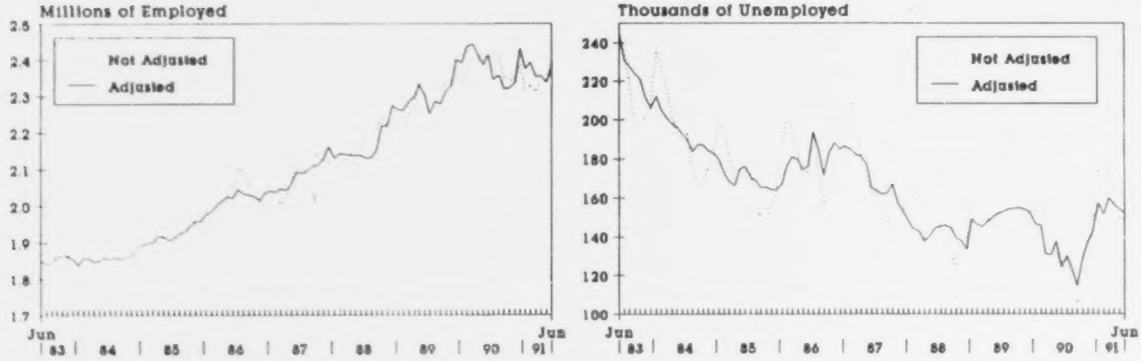
Over the past year, manufacturing has trimmed 6,300 jobs. Most of the recession-induced layoffs have centered in lumber and wood products (-2,700) and transportation equipment production other than aerospace (-2,200). But in addition, structural changes have taken place in instruments (-1,000) and primary metals (-800). Rather than pulling back as expected, aerospace payrolls are actually up 600 over the year. And further environmental restoration work at Hanford has boosted chemicals and allied products employment by 400.

And Government Troops To The Rescue

Summer closure of colleges and universities drew public education payrolls down by 2,100 workers in June. K through 12 staffing dipped by 300. In both cases, this represents administrative staff, cafeteria workers, and janitorial staff who are released until fall. Teachers are under contract and are considered employed for the full 12 months.

Public employment in the state has risen by 14,600 workers over the past year. Federal payrolls have been trimmed back (-2,200). But state and local government collectively added 9,500 in education and 7,300 in general public administration since June of 1990. Most of the increase rests at the local level where the population surge of the past several years has added to need. Pressing issues with regard to clean air, training/retraining of the workforce, salmon and water resources, and growth management will further drive the public sector in the months ahead.

Washington State Total Resident Employment and Unemployment
June 1983 - June 1991



Source: Employment Security Department

AREA TRENDS

Urban Areas Hold Firm

Average unemployment in Washington's nine designated metropolitan areas held unchanged in June at 5.5 percent of the workforce. The pattern was typical for a month in which the metropolitan economies show little change. Slight movements by areas were generally offsetting. Joblessness in Seattle-Everett inched down from 4.7 percent to 4.6 percent - still extremely low despite a significant slowing in the rate of job growth over the year. Both Tacoma and Spokane also shifted lower from 6.5 and 5.7 percent, respectively, to 6.2 and 5.5 percent in June. Those trending upward included Bellingham (from 5.9 to 6.3 percent); Bremerton (from 4.9 to 5.2 percent); and the Benton County portion of the Tri-Cities (from 5.8 percent to 6.3 percent). All areas topped the prior year lows by an average of one-and-a-half percentage points.

Fields and Forests Boost The Balance of The State

Meanwhile, the resource-based economies of eastern and western Washington proceeded to build seasonally in June. Unemployment in agriculture-dominated eastern Washington shifted lower by more than half a percentage point from 7.8 percent to 7.2 percent of the area workforce. Some of the biggest reductions took place in Grant County (from 10.0 to 8.6 percent); Okanogan (from 11.5 to 9.8 percent); Chelan and Douglas counties (from 11.1 to 8.3 percent); and the Yakima MSA (from 10.8 to 9.5 percent).

And on the other side of the mountains, the timber-dependent economies of western Washington likewise moved forward. Average unemployment dropped in June from 8.9 percent to 8.6 percent but still registered significantly above the 6.1 percent a year ago. In particular, Grays Harbor shifted from 10.2 to 9.5 percent; Mason County, from 7.8 to 7.3 percent; and Pacific, from 9.4 to 8.4 percent over the month. An improving housing market should boost demand for lumber and wood products in the next several months. But timing will likely coincide with final U.S timber policy directives with respect to the Northern Spotted Owl.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Jun 1991	May 1991	Jun 1990
Washington State Total	5.8%	6.0%	4.2%
Metropolitan Areas	5.5%	5.5%	3.9%
Log & Lumber Areas	8.6%	8.9%	6.1%
All Western WA Areas	5.4%	5.5%	3.8%
All Eastern WA Areas	7.2%	7.8%	5.5%

Source: Employment Security Department

INDUSTRY NOTES

Apples Swell Farm Receipts

The value of Washington farm production surged to an all-time high of $4.29 billion in 1990, according to the state Department of Agriculture. The farm-gate value was up 10 percent from the prior year record of $3.91 billion and reflected significant shifts among major commodities. A surge in apple sales, after the Alar scare, topped the news. The state's 4,500 apple growers made $775.6 million on the 1990 crop, up 66 percent from the $466 million in 1989 which, accordingly, boosted apples to the top spot in terms of commodity rankings. Milk fell to number two despite an 8 percent increase to $603 million. Cattle and calves were third at $480 million, up 20 percent. And wheat dropped to fourth at $405 million, off 9 percent because of lower prices despite a 36 percent increase in production.

Washington's Exports Boom

Driven by commercial jet sales, Washington's local-origin exports jumped 26 percent in 1990 to a record $24.6 billion. The rate of increase was somewhat lighter than 1989 when exports climbed 39 percent. But Washington continued to well outpace the national average which grew an estimated 8 percent last year. Nearly all the gain centered in transportation equipment, mostly Boeing jets and PACCAR trucks. Foreign sales of transportation equipment jumped $4.8 billion to $16.1 billion in 1990, accounting for 65 percent of the total. Agriculture and lumber and wood products made up roughly 15 percent of the total at $1.8 billion each. Aluminum and paper rounded out the top commodities at $702 million and $670 million, respectively.

Exports to Asia grew 28 percent to $10.4 billion, with Japan taking 32 percent more Washington-based goods totalling $4.5 billion. European markets climbed an even stronger 45 percent over the year to $7.8 billion. Sales to the United Kingdom were up sharply, but exports to Canada dropped 3 percent.

A British Boost For Boeing

British Airways gave Boeing's slow-start 777 program a needed boost by ordering 15 of the new twinjets worth $1.8 billion plus options for an additional 15. As in the past, the order was a package deal that included a pledge by British Airways to buy or take options on up to two dozen Boeing 747-400s. If all the 777 and 747 options are exercised, the order could be worth $6.8 billion. To date, Boeing has logged 72 orders for the new 777 from five carriers. Original plans were to launch the new jet last summer, but the Persian Gulf war and an airline slump slowed orders earlier this year.

NATIONAL INDICATORS

Industry Reawakens

Industrial production rose 0.7 percent in June. This was the third straight month of advance in the key index, signalling a continued moderate recovery of the industrial economy after two years of downturn. The pickup in demand is translating directly into output because basically no inventory carryover exits. In addition to the robust report for June, preliminary estimates for both April and May were revised upward. Economists viewed the data as supporting the theory that the recovery is being led by the manufacturing sector.

Orders On The Rise

And the ordering pace should sustain the momentum. Orders for U.S durable goods jumped 10.7 percent in July - the steepest advance in 20 years. The size of the broad-based upturn caught most economists by surprise. But the data further confirmed that manufacturing is on a roll. Transportation equipment purchasing rose 25 percent to $37.5 billion, three-quarters of which was for commercial aircraft. Orders for lumber and wood products dropped over the month, but all other major industry groups showed an increase for July. The tempo is up.

Income Paces Spending

Meanwhile, consumers are pacing themselves. Personal income rose 0.5 percent in June, and consumer spending increased a like 0.5 percent following a 1.2 percent advance in May. The pattern was looked to be sufficient to keep the economy on track. Incomes have risen for the past five straight months, while spending has gained ground for the past two.

Wages and salaries, likewise, are growing in real terms. The Labor Department's employment cost index for the second quarter showed wages and salaries paid by the private sector inching higher by 1.0 percent, or at an annual rate of 4.1 percent. With inflation running at 2.8 percent over the period, workers' wages rose faster than the cost of living for the second consecutive quarter - the first two-quarter growth since 1986. Positioning of the consumer is critical inasmuch as two-thirds of GNP rests in consumer purchasing of goods and services.

With Inflation Under Wraps

Inflation at the consumer level remained modest in June. The Labor Department's consumer price index rose a modest 0.3 percent over the month following a like 0.3 percent in May. With energy prices diving since the Persian Gulf war, consumer prices rose only at a 2.7 percent annual rate in the first six months compared to 6.1 percent for the same period a year ago. Renters' and homeowners' costs accelerated in June, pushing the so-called "core rate" of inflation up 0.4 percent from 0.2 percent in May.

Consumer Price Index

(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Jun 91	May 91	Jun 90	May 91	Jun 90
	136.0	135.6	129.9	0.3%	4.7%
Seattle†	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1990	Jul-Dec 1990	Jan-Jun 1990
	133.0	129.4	124.2	2.8%	7.1%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Jun 1991 (Prel)	May 1991 (Rev)	Jun 1990 (Rev)	May 1990 (Rev)	Numeric Change May 1991 to Jun 1991	Numeric Change Jun 1990 to Jun 1991
Total Nonagricultural Wage & Salary	2,207.2	2,196.6	2,183.3	2,155.1	10.6	23.9
Manufacturing	366.2	365.0	372.5	369.8	1.2	-6.3
Durable Goods	256.7	255.7	262.9	261.6	1.0	-6.2
Lumber & Wood Products	38.9	38.5	41.6	40.9	0.4	-2.7
Logging	9.5	9.4	10.3	10.0	0.1	-0.8
Sawmills & Plywood	25.5	25.3	27.4	27.1	0.2	-1.9
Furniture & Fixtures	4.1	4.1	4.2	4.0	0.0	-0.1
Stone, Clay, & Glass	7.8	7.7	8.1	8.0	0.1	-0.3
Primary Metals	12.5	12.4	13.3	13.2	0.1	-0.8
Aluminum	9.0	8.9	9.0	9.0	0.1	0.0
Fabricated Metals	12.6	12.4	12.5	12.2	0.2	0.1
Industrial Machinery & Equipment	20.1	20.0	20.5	20.3	0.1	-0.4
Computer & Office Equipment	6.6	6.5	6.3	6.2	0.1	0.3
Electronic & Other Electrical Equipment	11.7	11.6	11.4	11.3	0.1	0.3
Transportation Equipment	128.8	128.9	130.4	130.9	-0.1	-1.6
Aircraft & Parts	116.3	116.2	115.7	116.1	0.1	0.6
Instruments & Related	13.8	13.7	14.8	14.8	0.1	-1.0
Miscellaneous Manufacturing	6.4	6.4	6.1	6.0	0.0	0.3
Nondurable Goods	109.5	109.3	109.6	108.2	0.2	-0.1
Food & Kindred Products	38.0	38.0	37.9	37.6	0.0	0.1
Preserved Fruits & Vegetables	13.3	13.2	13.4	13.5	0.1	-0.1
Textiles, Apparel, & Leather	7.9	8.0	8.1	7.9	-0.1	-0.2
Paper & Allied Products	18.1	17.7	18.7	18.1	0.4	-0.6
Printing & Publishing	22.7	23.0	22.6	22.5	-0.3	0.1
Chemicals & Allied Products	13.7	13.6	13.3	13.2	0.1	0.4
Petroleum, Coal, Plastics	9.1	9.0	9.0	8.9	0.1	0.1
Mining & Quarrying	3.8	3.7	3.8	3.7	0.1	0.0
Construction	120.5	119.2	122.7	118.4	1.3	-2.2
General Building Contractors	34.4	34.1	37.1	35.4	0.3	-2.7
Heavy Construction, except Buildings	17.8	17.8	17.5	17.2	0.0	0.3
Special Trade Contractors	68.3	67.3	68.1	65.8	1.0	0.2
Transportation, Communications, & Utilities	115.9	115.6	114.9	112.7	0.3	1.0
Transportation	80.3	80.4	80.0	78.2	-0.1	0.3
Trucking & Warehousing	33.0	33.0	31.7	30.9	0.0	1.3
Water Transportation	9.3	9.7	9.9	9.6	-0.4	-0.6
Transportation by Air	16.0	15.5	16.2	15.8	0.5	-0.2
Communications	25.4	25.2	25.1	25.0	0.2	0.3
Electric, Gas, & Sanitary Services	10.2	10.0	9.8	9.5	0.2	0.4
Wholesale & Retail Trade	527.6	521.1	530.4	519.4	6.5	-2.8
Wholesale Trade	131.2	129.7	132.7[2]	128.3	1.5	-1.5
Retail Trade	396.4	391.4	397.7	391.1	5.0	-1.3
General Merchandise	36.1	35.5	38.2	38.1	0.6	-2.1
Food Stores	67.1	65.5	65.0	64.0	1.6	2.1
Eating & Drinking	148.1	146.4	147.4	144.2	1.7	0.7
Finance, Insurance, & Real Estate	118.9	118.5	117.6	116.5	0.4	1.3
Finance	50.8	50.8	51.6	51.4	0.0	-0.8
Services	534.2	532.7	515.9	509.6	1.5	18.3
Hotels & Lodging	27.4	26.3	27.1	25.6	1.1	0.3
Personal Services	21.9	21.9	21.4	21.2	0.0	0.5
Business Services	89.3	88.2	87.3	85.4	1.1	2.0
Health Services	157.0	155.7	148.9	147.0	1.3	8.1
Educational Services	21.3	25.1	20.6	23.8	-3.8	0.7
Social Services	36.8	36.7	34.4	34.2	0.1	2.4
Engineering & Management Services	47.9	47.5	46.1	45.6	0.4	1.8
Government	420.1	420.8	405.5	405.0	-0.7	14.6
Federal	73.7	72.6	75.9	77.1	1.1	-2.2
State	120.6	122.4	115.1	116.4	-1.8	5.5
State Education	61.8	63.9	59.8	62.1	-2.1	2.0
Local	225.8	225.8	214.5	211.5	0.0	11.3
Local Education	121.4	121.7	113.9	114.5	-0.3	7.5
Labor-Management Disputes	0.0	0.0	0.8	0.0	0.0	-0.8

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

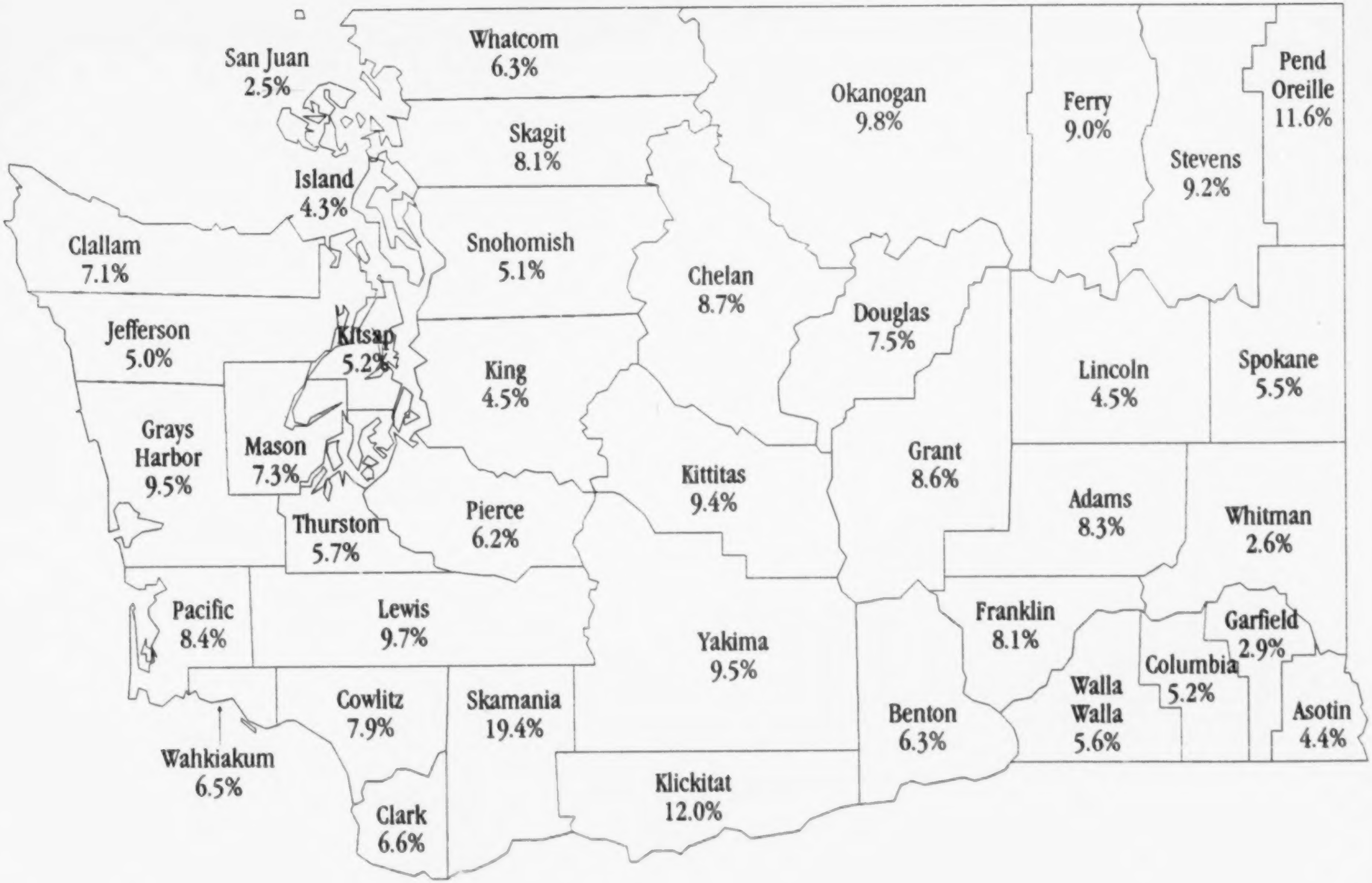
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 7/31/91
Benchmark: 1990

	June 1991 Preliminary†				May 1991 Revised†				June 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,555,800	2,406,600	149,200	5.8	2,493,200	2,344,000	149,200	6.0	2,536,400	2,430,800	105,600	4.2
Bellingham MSA	70,100	65,700	4,400	6.3	67,700	63,700	4,000	5.9	70,200	67,400	2,800	4.0
Bremerton MSA	84,700	80,300	4,400	5.2	83,100	79,000	4,100	4.9	83,300	79,900	3,400	4.1
Olympia MSA	84,200	79,400	4,800	5.7	83,400	78,700	4,700	5.6	83,400	79,700	3,700	4.4
Seattle PMSA	1,138,900	1,086,000	52,900	4.6	1,121,500	1,069,100	52,400	4.7	1,121,600	1,086,400	35,200	3.1
King County‡	898,600	858,000	40,600	4.5	884,800	844,700	40,100	4.5	885,800	858,400	27,400	3.1
Snohomish County‡	240,300	228,000	12,300	5.1	236,700	224,400	12,300	5.2	235,900	228,100	7,800	3.3
Spokane MSA	174,900	165,300	9,600	5.5	172,100	162,300	9,800	5.7	171,200	163,200	8,000	4.7
Tacoma PMSA	250,000	234,400	15,600	6.2	247,100	231,000	16,100	6.5	253,300	242,100	11,200	4.4
Tri-Cities MSA	84,100	78,500	5,600	6.7	77,900	72,800	5,100	6.5	84,200	79,600	4,600	5.5
Benton County‡	65,500	61,400	4,100	6.3	60,600	57,000	3,600	5.9	65,400	62,300	3,100	4.7
Franklin County‡	18,600	17,100	1,500	8.1	17,400	15,800	1,600	9.2	18,800	17,300	1,500	8.0
Vancouver PMSA	131,000	122,400	8,600	6.6	128,900	120,500	8,400	6.5	129,600	123,400	6,200	4.8
Yakima MSA	110,300	99,800	10,500	9.5	99,300	88,600	10,700	10.8	114,100	106,900	7,200	6.3
Adams	8,440	7,740	700	8.3	7,840	7,130	710	9.1	8,280	7,600	680	8.2
Asotin	9,810	9,380	430	4.4	9,720	9,270	450	4.6	9,610	9,280	330	3.4
Clallam	25,250	23,450	1,800	7.1	24,210	22,440	1,770	7.3	25,320	24,000	1,320	5.2
Columbia	2,490	2,360	130	5.2	2,500	2,350	150	6.0	2,720	2,630	90	3.3
Cowlitz	38,940	35,870	3,070	7.9	38,200	35,250	2,950	7.7	38,950	36,650	2,300	5.9
Ferry	3,340	3,040	300	9.0	3,250	2,940	310	9.5	3,340	3,100	240	7.2
Garfield	1,050	1,020	30	2.9	980	940	40	4.1	1,070	1,050	20	1.9
Grant	29,940	27,360	2,580	8.6	28,350	25,510	2,840	10.0	29,640	27,710	1,930	6.5
Grays Harbor	27,170	24,590	2,580	9.5	26,620	23,900	2,720	10.2	26,360	24,500	1,860	7.1
Island	22,540	21,560	980	4.3	22,070	21,070	1,000	4.5	21,830	21,130	700	3.2
Jefferson	9,400	8,930	470	5.0	8,850	8,410	440	5.0	9,490	9,170	320	3.4
Kittitas	13,120	11,890	1,230	9.4	12,570	11,320	1,250	9.9	12,250	11,590	660	5.4
Klickitat	8,330	7,330	1,000	12.0	7,970	6,980	990	12.4	8,040	7,340	700	8.7
Lewis	24,450	22,070	2,380	9.7	24,240	21,910	2,330	9.6	25,790	24,250	1,540	6.0
Lincoln	4,460	4,260	200	4.5	4,280	4,080	200	4.7	4,730	4,580	150	3.2
Mason	15,840	14,680	1,160	7.3	15,120	13,940	1,180	7.8	14,750	13,970	780	5.3
Okanogan	19,110	17,230	1,880	9.8	17,460	15,450	2,010	11.5	18,730	17,400	1,330	7.1
Pacific	7,740	7,090	650	8.4	7,580	6,870	710	9.4	7,890	7,460	430	5.4
Pend Oreille	3,280	2,900	380	11.6	3,180	2,790	390	12.3	3,450	3,090	360	10.4
San Juan	6,830	6,660	170	2.5	6,220	6,040	180	2.9	6,830	6,720	110	1.6
Skagit	40,980	37,680	3,300	8.1	40,350	37,120	3,230	8.0	40,450	38,340	2,110	5.2
Skamania	2,270	1,830	440	19.4	2,260	1,860	400	17.7	2,140	1,880	260	12.1
Stevens	12,120	11,000	1,120	9.2	11,590	10,380	1,210	10.4	11,810	10,810	1,000	8.5
Wahkiakum	1,240	1,160	80	6.5	1,170	1,090	80	6.8	1,280	1,190	90	7.0
Walla Walla	24,470	23,100	1,370	5.6	23,960	22,730	1,230	5.1	24,020	23,070	950	4.0
Wenatchee Labor Area	48,030	44,060	3,970	8.3	42,870	38,120	4,750	11.1	49,710	46,810	2,900	5.8
Chelan County‡	31,980	29,210	2,770	8.7	28,740	25,270	3,470	12.1	33,070	31,030	2,040	6.2
Douglas County‡	16,060	14,850	1,210	7.5	14,120	12,850	1,270	9.0	16,640	15,780	860	5.2
Whitman	17,130	16,690	440	2.6	18,630	18,200	430	2.3	17,350	17,020	330	1.9

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

June 1991 Unemployment Rates
State of Washington = 5.8%


Whatcom 6.3%
San Juan 2.5%
Okanogan 9.8%
Ferry 9.0%
Pend Oreille 11.6%
Skagit 8.1%
Stevens 9.2%
Island 4.3%
Clallam 7.1%
Snohomish 5.1%
Chelan 8.7%
Douglas 7.5%
Jefferson 5.0%
Kitsap 5.2%
King 4.5%
Lincoln 4.5%
Spokane 5.5%
Grays Harbor 9.5%
Mason 7.3%
Kittitas 9.4%
Grant 8.6%
Adams 8.3%
Whitman 2.6%
Thurston 5.7%
Pierce 6.2%
Pacific 8.4%
Lewis 9.7%
Yakima 9.5%
Franklin 8.1%
Garfield 2.9%
Columbia 5.2%
Walla Walla 5.6%
Cowlitz 7.9%
Skamania 19.4%
Benton 6.3%
Asotin 4.4%
Wahkiakum 6.5%
Klickitat 12.0%
Clark 6.6%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary June Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jun 91	May 91	Jun 90	Jun 91	May 91	Jun 90	Jun 91	May 91	Jun 90
Total Manufacturing Industries[1]	214,830	$538.54	$533.72	$525.44	40.1	39.8	40.7	$13.43	$13.41	$12.91
Selected Manufactuing Industries										
Lumber and Wood Products	32,220	$483.03	$462.92	$473.21	40.9	39.6	40.9	$11.81	$11.69	$11.57
Primary Metal Industries	10,001	$601.25	$601.03	$554.46	43.1	42.9	42.1	$13.95	$14.01	$13.17
Fabricated Metal Products	10,189	$559.37	$534.71	$522.08	41.9	41.1	41.8	$13.35	$13.01	$12.49
Machinery	19,700	$449.12	$434.81	$444.69	40.1	39.6	40.5	$11.20	$10.98	$10.98
Food and Kindred Products	27,046	$368.10	$375.87	$365.00	36.7	37.7	38.3	$10.03	$9.97	$9.53
Chemical and Allied Products	4,662	$703.70	$698.75	$664.34	42.7	42.4	42.1	$16.48	$16.48	$15.78
Transportation Equipment	56,796	$678.53	$679.37	$670.10	40.9	41.0	42.6	$16.59	$16.57	$15.73
Selected Nonmanufacturing Indusries										
Construction	90,858	$691.42	$668.53	$654.62	38.2	37.6	37.3	$18.10	$17.78	$17.55
Wholesale and Retail Trade (Includes eating and drinking establishments)	469,691	$300.80	$285.20	$280.18	32.0	30.7	31.2	$9.40	$9.29	$8.98

[1] Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
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Washington LABOR MARKET

August 1991

JOB SERVICE

Washington State
Employment Security
Vernon E. Stoner
Commissioner

Prepared by the
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Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

July Tracks Seasonally

Washington's employment picture in July depicted an economy essentially holding its own. Unemployment remained unchanged over the month and nonfarm employment, when adjusted for normal seasonal pattern and timing irregularities in education, was flat. The results prompted speculation that the state economy might in fact have bottomed out after losing 30,000 jobs on a seasonally adjusted basis since February. Current employment projections by the Forecast Council point to a further, albeit slower, downturn in the present quarter, but with the month-to-month detail assuming a modest pickup from here on out.

No one is expecting anything other than a gradual recovery. Consumer confidence at present remains extremely fragile,

Volume 15, Number 8

and both corporate and private debt levels are uncomfortably high. Despite repeated efforts on the part of the Federal Reserve to jump-start the economy, money supply growth has not taken off. This recovery will undoubtedly take time. Moreover, the pickup is bound to be spotty both geographically and industrially for the next several months. Fortunately, Washington has weathered the storm better than average. And any turnaround nationally will filter directly into higher levels of activity locally.

LABOR FORCE AND UNEMPLOYMENT

Washington's labor force unemployment rate remained unchanged in July at 5.9 percent of the civilian workforce. The trend is not out of line with the normal pattern for the month when a seasonal boost in agriculture and other portions of the economy is countered by a withdrawal of noncertified education staff. As the economy moves to its seasonal highs in August and September, the overall rate of unemployment will dip from this base over the next couple months to the lows for the year.

Even at the low, however, the level of unemployment this year will register higher than a year before. Washington's jobless rate jumped quickly above the prior year beginning in the first quarter - a sharp reversal from an eight-year downward spiral which had brought statewide unemployment to 20-year lows in 1990. Since the first of the year, labor force growth has outdistanced the corresponding increase in job opportunities. And the result has been an uptick in unemployment of roughly one-and-a-half percentage points. The latest reading of 5.9 percent contrasts sharply with 4.4 percent in July 1990.

On the other hand, Washington still looks good relative to the nation as a whole and the state's own long-run postwar average. Not since the "Boeing Boom" in the late-1960s and again briefly in 1988-90 has statewide unemployment hovered for any length of time below 6.5 percent. The average for the postwar period going all the way back to 1947 is roughly 7.0 percent. In essence, the current year is tracking close to the average of 1988-89 - both very strong years.

In addition, the state continues to better the national average by a sizable margin. The recession-induced national economy has pushed joblessness higher nationwide. Unemployment for the U.S. registered 6.7 percent in July, nearly a full percentage point greater than for the state of Washington. Only 18 states in the latest month evidenced a jobless rate of less than 6 percent. And most of those tended to cluster in the Mid- and Far West.

Resident Civilian Labor Force
Employment and Unemployment in Washington State

	Jul 1991 *Preliminary*	Jun 1991 *Revised*	Jul 1990
Resident Civilian Labor Force	2,534,700	2,558,700	2,532,400
Employment	2,385,900	2,406,500	2,420,400
Unemployment	148,800	152,200	112,000
Unemployment Rate	5.9%	5.9%	4.4%
National Unemployment Rate	6.7%	6.9%	5.5%

Data in this table are not seasonally adjusted.
Source: Employment Security Department; Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's wage and salary employment dropped 24,100 workers in July. As usual, the loss over the month was heavily centered in state and local education (-29,500) owing to summer closure of public schools. Administrative personnel, cafeteria workers, and janitorial staff are typically released through the summer months and then recalled in the fall. Teachers, on the other hand, sign a 12-month contract and, thus, are considered employed throughout the reporting period. The drawdown this year was a bit lighter than usual owing to the fact that Seattle area schools stayed in session beyond the cutoff date in order to make up for days lost due to strikes and weather.

Further in the public sector, local government administration added 4,400 workers in July. Most of the monthly increase here represented seasonal hires for parks and recreation activities which typically extend through the summer months. In addition, various summer youth programs also kicked in at this time of year. Gains and losses in state and local government, for the most part, drove the economy in July. Other sectors were largely offsetting.

Private Sector Holds Pat

The rest of nonmanufacturing showed a net change of less than 700 workers. Payrolls mounted in construction (+1,500); services (+500); transportation, communications, and utilities (+1,100); and finance, insurance, and real estate (+300). But these were offset by a 2,700-worker loss in wholesale and retail trade. The results effectively checked any runup in the state job totals.

July construction proved little more than a mix of small pluses and minuses. The overall gain for the month registered less than half the average of the past several years. Fairly typical advances took place within special trades (+900) and both nonresidential building (+400) and public works (+400). But housing continued to be a drag. Rather than adding 600 workers on average as would be expected in July, homebuilders in the area actually scaled back 200 jobs at the very height of the season. Obviously, low mortgage rates, which are now approaching 14-year lows, are not solely the answer.

Wholesaling typically shifts lower in July with the phasing of major farm commodities. However, retailing joined in this year. Softness in retail trade has permeated the economy ever since the first of the year as consumers generally have pulled in their reins. Only a brief spurt of activity followed the Mideast war. Since then, an overriding sense of uneasiness has returned. In the past 12 months, trade employment in the state of Washington has dropped by some 5,300 workers.

Manufacturing Maintains The Pace

Meanwhile, the basic goods-producing sector dipped only 300 in July. In essence, manufacturing has managed to steer a clear course in 1991 little changed from the seasonal pattern in 1990. Month-to-month fluctuations in the latest period were negligible with the exception of a 300-worker gain in aerospace and a 1,400 job loss in food processing. The latter simply reflected timing on major crops which will be reversed over the next couple months as output of fruits and vegetables mounts.

Aerospace payrolls climbed further in July. Since the first of the year, employment in aircraft and parts has mounted by 900 workers to 116,900 - just 1,800 shy of the all-time high of 118,700 in January 1990. Announcement by Boeing coming into the year looked to a 2,000-worker reduction for the year as a whole. By mid-year, that forecast had been revised to show little change from the June level. The Forecast Council at present projects a fairly stable employment setting in aerospace through 1993.

The rest of manufacturing basically held even in July. Movement over the month tended to be positive with the exception of a modest job loss in primary metals other than aluminum (-100). Most other key sectors either added employment incrementally or remained unchanged. Both paper and allied products and chemical production including nuclear operations at Hanford went up by 200 workers each. The latter now stands 400 greater than the year before and 2,100 above the recent low in January 1989. Growth of this sector has been a boon for the Tri-Cities economy.

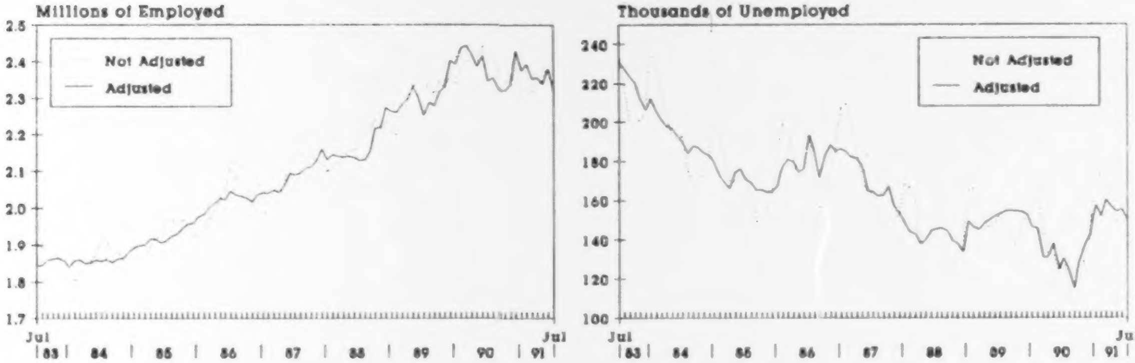
Annual Up But Squeezing

Over the year, the state's nonfarm wage and salary employment level was up 17,900 in the latest month. While continuing to register on the plus side, the annual margin has progressively narrowed since the first of the year when the spread totalled better than 77,000. The average for both 1989 and 1990 measured in excess of 100,000.

In addition, an increasing number of industries have succumbed. Only manufacturing was negative coming into the year, and that margin has stayed relatively constant at around 5,500 fewer workers than recorded during the like month of 1990. Beginning in June, both construction and trade dropped below the line. And finally in July, mining and quarrying joined the queue.

At present, the state's favorable employment spread is being held up predominantly by continued strength in services (+18,200) and state and local government (+14,000). Both are impacted less by near-term cyclical changes in the economy than their industrial counterparts. But even here, the year-to-year spread has lightened. On balance, the state's economy enters the third quarter with certainly less momentum than existed in the first quarter and even in the second quarter of this year.

Washington State Total Resident Employment and Unemployment
July 1983 - July 1991



Source: Employment Security Department

AREA TRENDS

Metro Areas:
A Little Give and Take

Unemployment movements by area were modest in July. Slight gains were countered by slight losses to keep the statewide average unchanged. Overall joblessness in the metropolitan areas dipped fractionally over the month from 5.6 percent to 5.5 percent of the workforce. Driving the pattern was a drop in Bellingham (from 6.3 percent to 5.6 percent), Tacoma (from 6.4 percent to 6.2 percent), Vancouver (from 6.6. percent to 6.5 percent), and Yakima (from 9.7 percent to 9.4 percent). Seattle-Everett held constant at 4.7 percent unemployed. All areas were higher than a year ago by an average of one-and-a-half percentage points.

Balance of State:
A Matter of Timing

The resource-based economies of both eastern and western Washington showed typical patterns based on seasonal trends for the month. Unemployment in the logging and lumber-dependent areas dropped from 8.9 percent to 8.2 percent in July. End of the asparagus harvest and staging of major fruits and vegetables sent joblessness in eastern Washington temporarily up from 7.3 percent to 7.5 percent of the available workforce. Both areas will shift to lows for the year as production mounts seasonally over the next couple months.

Unemployment Rates by Geographic Areas
State of Washington

Areas	Jul 1991	Jun 1991	Jul 1990
Washington State Total	5.9%	5.9%	4.4%
Metropolitan Areas	5.5%	5.6%	4.1%
Log & Lumber Areas	8.2%	8.9%	6.2%
All Western WA Areas	5.4%	5.5%	3.9%
All Eastern WA Areas	7.5%	7.3%	6.2%

Source: Employment Security Department

INDUSTRY NOTES

Boeing: The Ax Man Cometh

Depending upon final configuration of defense cutbacks, Boeing stands to lose upwards of 1,000 jobs under President Bush's proposed nuclear disarmament initiative. The decision to significantly reduce the nation's nuclear capability includes the controversial rail-based MX missile system, of which Boeing is the prime contractor. Locally, about 170 workers are involved in the five year, $235 million contract awarded in 1987. Another 160 are based at Vandenberg Air Force Base in California. Less clear is the status of the short-range nuclear attack missile (SRAM II) and a mobile launcher for small intercontinental ballistic missiles (Midgetman). Both are possible targets. About 460 jobs are linked to SRAM II and another 100 are keyed to Midgetman.

Some of the sting was soothed, however, by recent award of a $1.6 billion, 12-year contract to Boeing to computerize communications services for the Army Reserve and Army

National Guard. About 700 people will ultimately be involved in the program to be carried out by Bellevue-based Boeing Computer Services. The last big win for the company was a $105 million contract in January 1990 to provide a Navy weapons center in California with a range of informational products.

Retailing Giants Hit By The Times

The pullback in consumer spending has affected retailing all along the line. And size has not been the criteria. Seattle's venerable Frederick and Nelson officially filed for Chapter 11 bankruptcy and announced closure of 5 of their 10 stores. Some will be reopened by other retailers. But about a quarter of F&Ns 2,000 workers will be laid off because of the closures. Meanwhile, sales at innovative Nordstrom Inc. slipped badly in the third quarter, prompting speculation of layoffs in order to trim operating costs. Nordstrom has 64 stores in 8 states.

Mega-Merger In The Works

Union of Bank America and Security Pacific - parent companies of Washington's two largest commercial banks - will have significant impact on financial dealings throughout the state. The proposed merger of the mega-giants will create a Seattle-based subsidiary with $20 billion in assets - roughly half the statewide total. Combined employment in Washington is currently around 10,000. Sheer size will allow certain efficiencies to be put in place. But overlapping operations will undoubtedly be consolidated and staffing will be reduced. At present, Washington looks to be sitting in the midst of the action.

NATIONAL INDICATORS

Oops...It's Down, Not Up

Federal number jugglers have decreed that Gross National Product in the second quarter dipped at a 0.1 percent annual rate rather than expanding 0.4 percent as originally announced. Revised data placed the nation officially in a slump for three consecutive quarters. However, economists were generally in agreement that the recession ended sometime this spring. It is not unusual at this point in the business cycle that the statistics jump around before settling into a decisive trend. Encouragingly, much of the revision centered in inventory liquidation, which portends well for the third quarter.

But The Force Is With You

At the same time, the nation's index of leading indicators rose in July for the sixth consecutive month. The persistent climb of this key barometer, designed to foreshadow economic activity six to nine months hence, cannot be discounted. While fragile, the recovery still remains in place.

As further evidence, industrial output rose in August for the fifth advance in as many months. The 0.3 percent increase in the output of factories, mines, and utilities followed gains of 0.6 percent in June and 0.8 percent in July - larger than originally estimated. A slower growth rate in auto production held back the August advance; excluding cars and trucks, industrial output was up 0.5 percent over the month. Recovery in manufacturing is proceeding.

Business Turns A Cautious Ear

Nonetheless, business is proceeding cautiously with plans to invest in new plant and equipment. The latest survey by the Commerce Department showed a minuscule 0.5 percent anticipated capital spending increase for 1991 - the smallest in five years. Manufacturers are planning a 3.3 percent *decrease* from a year ago. The recent runup in industrial performance may result in an added boost. But profits are the key determinant of capital spending and, while the economy is showing signs of improving, the overall profit position of U.S. companies has not recovered.

Inflation Remains Under Wraps

Wholesale prices in August edged up a tiny 0.2 percent after dropping repeatedly since May. Continued falloff in food costs helped offset the biggest jump in energy prices since October. Still, the slight August increase was well within expectations and confirmed the fact that inflation generally continues under control. At the consumer level, the national CPI for July registered only 4.4 percent higher than a year before - the lowest reading in two-and-a-half years.

Consumer Price Index

(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
U.S. City Average	Jul 91	Jun 91	Jul 90	Jun 91	Jul 90
	136.2	136.0	130.4	0.1%	4.4%
Seattle†	Jan-Jun 1991	Jul-Dec 1990	Jan-Jun 1990	Jul-Dec 1990	Jan-Jun 1990
	133.0	129.4	124.2	2.8%	7.1%

†The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Prepared by Dennis Fusco, Chief Economist

Nonagricultural Wage & Salary Workers in Washington State, Place of Work[1]

In Thousands, Not Seasonally Adjusted

Industry	Jul 1991 (Prel)	Jun 1991 (Rev)	Jul 1990 (Rev)	Jun 1990 (Rev)	Numeric Change	
					Jun 1991 to Jul 1991	Jul 1990 to Jul 1991
Total Nonagricultural Wage & Salary	2,182.6	2,206.7	2,164.7	2,183.3	-24.1	17.9
Manufacturing	366.4	366.7	371.8	372.5	-0.3	-5.4
Durable Goods	257.4	257.0	262.9	262.9	0.4	-5.5
Lumber & Wood Products	39.0	38.9	41.8	41.6	0.1	-2.8
Logging	9.6	9.5	10.3	10.3	0.1	-0.7
Sawmills & Plywood	25.5	25.5	27.5	27.4	0.0	-2.0
Furniture & Fixtures	4.1	4.1	4.2	4.2	0.0	-0.1
Stone, Clay, & Glass	8.0	7.9	8.1	8.1	0.1	-0.1
Primary Metals	12.3	12.4	13.3	13.3	-0.1	-1.0
Aluminum	9.1	9.0	9.0	9.0	0.1	0.1
Fabricated Metals	12.7	12.6	12.6	12.5	0.1	0.1
Industrial Machinery & Equipment	20.0	20.0	20.6	20.5	0.0	-0.6
Computer & Office Equipment	6.6	6.6	6.4	6.3	0.0	0.2
Electronic & Other Electrical Equipment	11.8	11.7	11.5	11.4	0.1	0.3
Transportation Equipment	129.3	129.3	129.9	130.4	0.0	-0.6
Aircraft & Parts	116.9	116.6	115.4	115.7	0.3	1.5
Instruments & Related	13.8	13.7	14.7	14.8	0.1	-0.9
Miscellaneous Manufacturing	6.4	6.4	6.2	6.1	0.0	0.2
Nondurable Goods	109.0	109.7	108.9	109.6	-0.7	0.1
Food & Kindred Products	36.7	38.1	36.6	37.9	-1.4	0.1
Preserved Fruits & Vegetables	11.5	13.3	11.6	13.4	-1.8	-0.1
Textiles, Apparel, & Leather	8.1	7.9	8.3	8.1	0.2	-0.2
Paper & Allied Products	18.4	18.2	18.7	18.7	0.2	-0.3
Printing & Publishing	22.7	22.7	22.7	22.6	0.0	0.0
Chemicals & Allied Products	13.9	13.7	13.5	13.3	0.2	0.4
Petroleum, Coal, Plastics	9.2	9.1	9.1	9.0	0.1	0.1
Mining & Quarrying	3.7	3.7	3.9	3.8	0.0	-0.2
Construction	121.8	120.3	126.9	122.7	1.5	-5.1
General Building Contractors	34.4	34.2	38.4	37.1	0.2	-4.0
Heavy Construction, except Buildings	18.1	17.7	18.2	17.5	0.4	-0.1
Special Trade Contractors	69.3	68.4	70.3	68.1	0.9	-1.0
Transportation, Communication, & Utilities	117.1	116.0	114.5	114.9	1.1	2.6
Transportation	81.5	80.4	80.1	80.0	1.1	1.4
Trucking & Warehousing	33.4	33.1	31.9	31.7	0.3	1.5
Water Transportation	10.1	9.4	10.1	9.9	0.7	0.0
Transportation by Air	16.0	15.9	16.3	16.2	0.1	-0.3
Communications	25.3	25.4	24.6	25.1	-0.1	0.7
Electric, Gas, & Sanitary Services	10.3	10.2	9.8	9.8	0.1	0.5
Wholesale & Retail Trade	523.6	526.3	528.9	530.4	-2.7	-5.3
Wholesale Trade	129.0	131.0	130.5[2]	132.7[2]	-2.0	-1.5
Retail Trade	394.6	395.3	398.4	397.7	-0.7	-3.8
General Merchandise	36.2	36.2	38.4	38.2	0.0	-2.2
Food Stores	66.5	66.3	65.1	65.0	0.2	1.4
Eating & Drinking	147.8	148.0	147.6	147.4	-0.2	0.2
Finance, Insurance, & Real Estate	119.2	118.9	118.6	117.6	0.3	0.6
Finance	50.9	50.9	51.7	51.6	0.0	-0.8
Services	535.0	534.5	516.8	515.9	0.5	18.2
Hotels & Lodging	27.4	27.4	27.3	27.1	0.0	0.1
Personal Services	21.6	21.8	21.1	21.4	-0.2	0.5
Business Services	90.6	89.5	88.3	87.3	1.1	2.3
Health Services	158.0	157.0	149.8	148.9	1.0	8.2
Educational Services	19.5	21.4	18.1	20.6	-1.9	1.4
Social Services	36.1	36.6	34.3	34.4	-0.5	1.8
Engineering & Management Services	48.2	47.9	46.5	46.1	0.3	1.7
Government	395.8	420.3	383.3	405.5	-24.5	12.5
Federal	74.6	73.9	76.1	75.9	0.7	-1.5
State	105.1	120.5	103.2	115.1	-15.4	1.9
State Education	46.5	61.8	45.1	59.8	-15.3	1.4
Local	216.1	225.9	204.0	214.5	-9.8	12.1
Local Education	107.0	121.2	97.1	113.9	-14.2	9.9
Labor-Management Disputes	0.0	0.0	0.8	0.8	0.0	-0.8

[1] Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

[2] Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

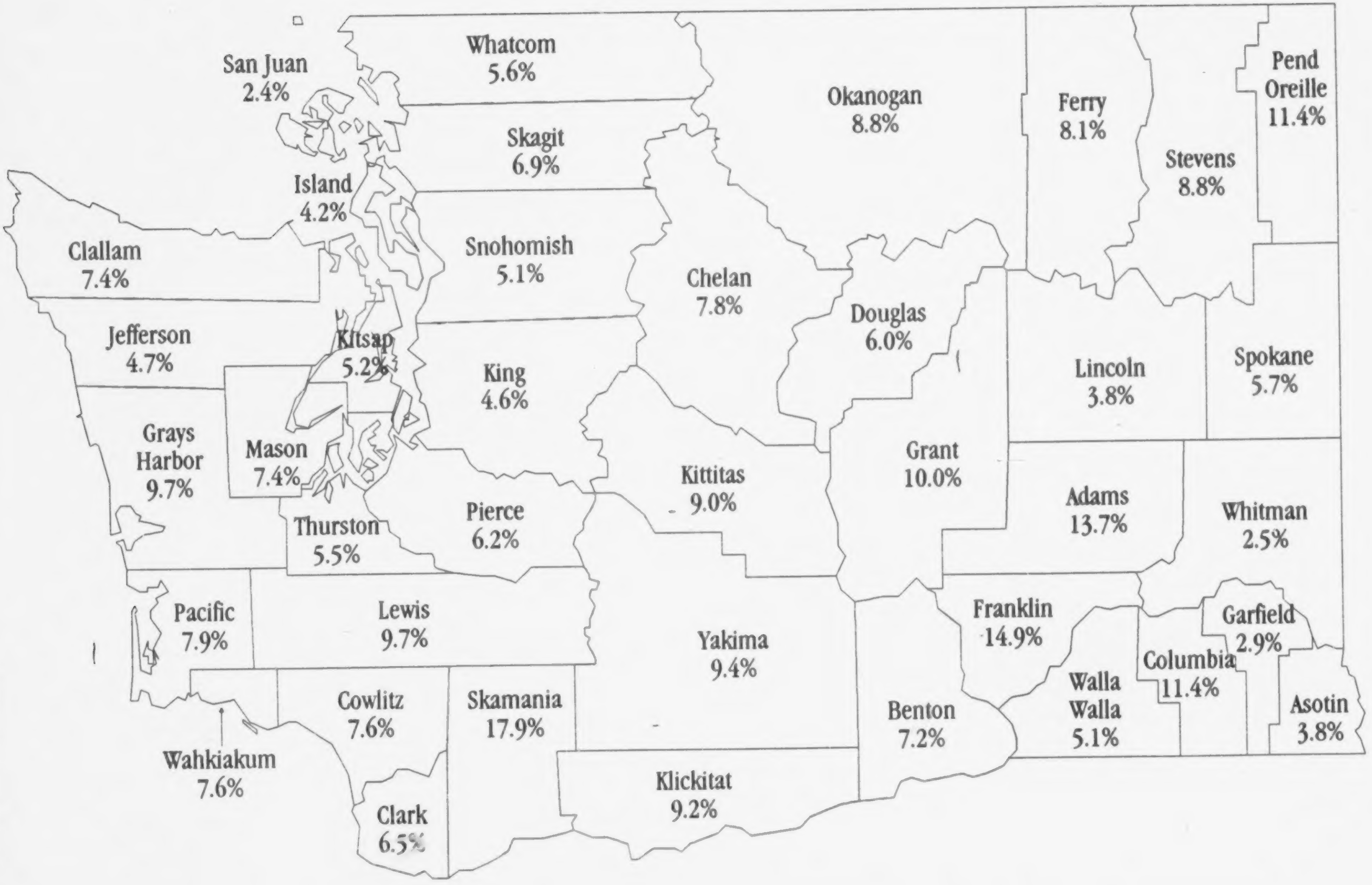
Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 9/4/91
Benchmark: 1990

	July 1991 Preliminary†				June 1991 Revised†				July 1990 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State total	2,534,700	2,385,900	148,800	5.9	2,558,700	2,406,500	152,200	5.9	2,532,400	2,420,400	112,000	4.4
Bellingham MSA	70,200	66,300	3,900	5.6	70,300	65,900	4,400	6.3	69,800	66,700	3,100	4.4
Bremerton MSA	84,800	80,400	4,400	5.2	85,100	80,700	4,400	5.2	83,100	79,600	3,500	4.2
Olympia MSA	83,700	79,100	4,600	5.5	84,300	79,400	4,900	5.8	83,300	79,500	3,800	4.6
Seattle PMSA	1,133,600	1,080,400	53,200	4.7	1,140,800	1,086,900	53,900	4.7	1,124,600	1,087,800	36,800	3.3
King County‡	894,600	853,600	41,000	4.6	899,900	858,700	41,200	4.6	887,800	859,500	28,300	3.2
Snohomish County‡	239,000	226,800	12,200	5.1	240,800	228,100	12,700	5.3	236,700	228,300	8,400	3.5
Spokane MSA	169,600	160,000	9,600	5.7	175,300	165,500	9,800	5.6	169,000	160,800	8,200	4.9
Tacoma PMSA	247,100	231,700	15,400	6.2	248,500	232,500	16,000	6.4	256,500	245,000	11,500	4.5
Tri-Cities MSA	77,700	70,700	7,000	9.0	84,200	78,500	5,700	6.8	78,100	72,800	5,300	6.8
Benton County‡	59,700	55,400	4,300	7.2	65,600	61,500	4,100	6.3	60,100	56,900	3,200	5.3
Franklin County‡	18,100	15,400	2,700	14.9	18,700	17,100	1,600	8.6	17,900	15,800	2,100	11.7
Vancouver PMSA	129,900	121,500	8,400	6.5	131,200	122,500	8,700	6.6	129,800	123,700	6,100	4.7
Yakima MSA	108,000	97,900	10,100	9.4	110,500	99,800	10,700	9.7	109,000	100,300	8,700	8.0
Adams	8,710	7,520	1,190	13.7	8,740	7,980	760	8.7	8,050	7,030	1,020	12.7
Asotin	9,710	9,340	370	3.8	9,820	9,390	430	4.4	9,130	8,820	310	3.4
Clallam	24,340	22,550	1,790	7.4	25,320	23,470	1,850	7.3	24,610	23,260	1,350	5.5
Columbia	1,320	1,170	150	11.4	2,500	2,360	140	5.6	1,780	1,660	120	6.7
Cowlitz	38,810	35,860	2,950	7.6	39,180	35,960	3,220	8.2	39,360	36,960	2,400	6.1
Ferry	3,200	2,940	260	8.1	3,050	2,750	300	9.8	3,350	3,120	230	6.9
Garfield	1,050	1,020	30	2.9	1,050	1,020	30	2.9	1,070	1,050	20	1.9
Grant	29,840	26,850	2,990	10.0	30,640	27,450	2,590	8.6	28,620	26,510	2,110	7.4
Grays Harbor	26,260	23,720	2,540	9.7	26,770	24,150	2,620	9.8	26,270	24,390	1,880	7.2
Island	22,470	21,520	950	4.2	22,410	21,480	930	4.1	22,000	21,280	720	3.3
Jefferson	9,320	8,880	440	4.7	9,410	8,930	480	5.1	9,510	9,160	350	3.7
Kittitas	12,460	11,340	1,120	9.0	13,240	12,000	1,240	9.4	11,540	10,790	750	6.5
Klickitat	8,500	7,720	780	9.2	8,360	7,330	1,030	12.3	8,220	7,590	630	7.7
Lewis	23,910	21,580	2,330	9.7	24,370	21,920	2,450	10.1	25,550	23,950	1,600	6.3
Lincoln	4,530	4,360	170	3.8	4,480	4,270	210	4.7	4,740	4,610	130	2.7
Mason	15,550	14,400	1,150	7.4	15,790	14,590	1,200	7.6	14,560	13,760	800	5.5
Okanogan	19,920	18,160	1,760	8.8	19,200	17,260	1,940	10.1	19,530	18,050	1,480	7.6
Pacific	7,820	7,200	620	7.9	7,760	7,080	680	8.8	8,160	7,660	500	6.1
Pend Oreille	3,250	2,880	370	11.4	3,320	2,920	400	12.0	3,360	2,980	380	11.3
San Juan	7,360	7,180	180	2.4	6,870	6,700	170	2.5	7,190	7,070	120	1.7
Skagit	42,950	39,980	2,970	6.9	40,930	37,560	3,370	8.2	43,470	41,210	2,260	5.2
Skamania	2,240	1,840	400	17.9	2,260	1,830	430	19.0	2,180	1,930	250	11.5
Stevens	12,280	11,200	1,080	8.8	12,190	11,030	1,160	9.5	11,700	10,810	890	7.6
Wahkiakum	1,320	1,220	100	7.6	1,240	1,160	80	6.5	1,260	1,180	80	6.3
Walla Walla	23,610	22,400	1,210	5.1	24,490	23,120	1,370	5.6	23,520	22,480	1,040	4.4
Wenatchee Labor Area	52,200	48,430	3,770	7.2	48,350	44,260	4,090	8.5	53,510	50,140	3,370	6.3
Chelan County‡	34,840	32,110	2,730	7.8	32,190	29,340	2,850	8.9	35,640	33,240	2,400	6.7
Douglas County‡	17,370	16,330	1,040	6.0	16,150	14,920	1,230	7.6	17,860	16,900	960	5.4
Whitman	17,090	16,660	430	2.5	17,190	16,750	440	2.6	17,110	16,740	370	2.2

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

July 1991 Unemployment Rates
State of Washington = 5.9%


San Juan
2.4%
Whatcom
5.6%
Okanogan
8.8%
Ferry
8.1%
Stevens
8.8%
Pend Oreille
11.4%
Skagit
6.9%
Island
4.2%
Clallam
7.4%
Snohomish
5.1%
Chelan
7.8%
Douglas
6.0%
Jefferson
4.7%
Kitsap
5.2%
King
4.6%
Lincoln
3.8%
Spokane
5.7%
Grays Harbor
9.7%
Mason
7.4%
Kittitas
9.0%
Grant
10.0%
Adams
13.7%
Whitman
2.5%
Thurston
5.5%
Pierce
6.2%
Pacific
7.9%
Lewis
9.7%
Yakima
9.4%
Franklin
14.9%
Garfield
2.9%
Columbia
11.4%
Walla Walla
5.1%
Asotin
3.8%
Benton
7.2%
Wahkiakum
7.6%
Cowlitz
7.6%
Skamania
17.9%
Klickitat
9.2%
Clark
6.5%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary July Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jul 91	Jun 91	Jul 90	Jul 91	Jun 91	Jul 90	Jul 91	Jun 91	Jul90
Total Manufacturing Industries†	213,341	$533.32	$537.60	$521.09	39.1	40.0	39.9	$13.64	$13.44	$13.06
Selected Manufacturing Industries										
Lumber and Wood Products	32,491	$463.32	$482.26	$464.51	39.0	40.8	39.6	$11.88	$11.82	$11.73
Primary Metal Industries	9,879	$624.36	$604.58	$567.86	43.0	43.0	42.6	$14.52	$14.06	$13.33
Fabricated Metal Products	10,290	$543.66	$558.78	$511.56	41.0	41.7	40.6	$13.26	$13.40	$12.60
Machinery	19,611	$420.38	$444.40	$432.13	37.5	40.0	39.5	$11.21	$11.11	$10.94
Food and Kindred Products	25,134	$382.47	$364.82	$390.95	36.6	36.3	37.7	$10.45	$10.05	$10.37
Chemical and Allied Products	4,671	$724.90	$703.70	$682.84	43.2	42.7	43.0	$16.78	$16.48	$15.88
Transportation Equipment	56,574	$674.73	$676.08	$655.11	40.5	40.9	41.7	$16.66	$16.53	$15.71
Selected Nonmanufacturing Industries										
Construction	92,336	$691.20	$681.16	$652.81	38.4	37.8	37.8	$18.00	$18.02	$17.27
Wholesale and Retail Trade (Includes eating and drinking establishments)	465,790	$293.28	$301.76	$289.42	31.3	32.0	31.7	$9.37	$9.43	$9.13

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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